Journal of the House

State of Indiana

114th General Assembly *Second Regular Session*

Nineteenth Meeting Day **Thursday Afternoon** **February 16, 2006**

The House convened at 1:30 p.m. with Speaker Brian C. Bosma in the Chair.

The Pledge of Allegiance to the Flag was led by Representative Cleo R. Duncan and Eagle Scout Vincent Hawkins of Greensburg, Indiana..

The Speaker ordered the roll of the House to be called:

Aguilera
Austin
Avery
Ayres
Bardon
Bauer
Behning
Bell
Bischoff
Borders
Borror
C. Bottorff
Bright
C. Brown
T. Brown
Buck
Budak
Buell
Burton
Cheney
Cherry
Cochran
Crawford
Crooks
Crouch
Davis
Day
Denbo
Dickinson
Dobis
Dodge
Duncan
Dvorak
Espich
Foley
Friend
Frizzell
Fry
GiaQuinta
Goodin
Grubb
Gutwein
E. Harris
T. Harris
Heim
Hinkle
Hoffman
Hoy
Kersey
Klinker
Koch
Kromkowski
Kuzman
L. Lawson
Lehe
Leonard
J. Lutz
Mahern
Mays
McClain
Messer
Micon
Moses
Murphy
Neese
Noe
Orentlicher
Oxley
Pelath
Pflum
Pierce
Pond
Porter
Reske
Richardson
Ripley
Robertson
Ruppel
Saunders
J. Smith
V. Smith
Stevenson
Stilwell
Stutzman
Summers
Thomas
Thompson
Tincher
Torr
Turner
Tyler
Ulmer
VanHaaften
Walorski
Welch
Whetstone
Wolkins
Woodruff
Yount
Mr. Speaker

Roll Call 215: 100 present. The Speaker announced a quorum in attendance.

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed, without amendments, Engrossed House Bills 1049, 1103, 1107, and 1249 and the same are herewith returned to the House.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Engrossed House Bills 1207, 1238, 1280, and 1353 with amendments and the same are herewith returned to the House for concurrence.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed House Concurrent Resolution 38 and the same is herewith returned to the House.

MARY C. MENDEL
Principal Secretary of the Senate

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred Engrossed Senate Bill 11, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 23, line 27, before "If" insert "**Sec. 29.5.**".

(Reference is to SB 11 as printed January 25, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

BURTON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred Engrossed Senate Bill 18, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 8, nays 0.

T. BROWN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Environmental Affairs, to which was referred Engrossed Senate Bill 22, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 9, nays 0.

WOLKINS, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred

Engrossed Senate Bill 40, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 1, delete "IC 31-9-2-48.5" and insert "IC 31-9-2-48.3".

Page 1, line 3, delete "Sec. 48.5." and insert "**Sec. 48.3.**".

Page 1, line 6, delete "IC 31-9-2-84.5" and insert "IC 31-9-2-84.6".

Page 1, line 8, delete "Sec. 84.5." and insert "**Sec. 84.6.**".

Page 1, line 9, delete "has or is" and insert "**has, or has filed an action**".

Page 1, line 11, delete "a" and insert "**the**".

Page 1, line 12, delete "a" and insert "**the**".

Page 1, line 13, delete "a" and insert "**the**".

Page 3, line 24, after "award" insert "**reasonable**".

Page 3, line 36, delete "a" and insert "**the**".

Page 3, line 36, delete "individual:" and insert "**individuals:**".

Page 3, line 37, after "registered" insert "**or certified**".

Page 6, line 12, delete "FOLLOWS:" and insert "FOLLOWS [EFFECTIVE JULY 1, 2006]:".

(Reference is to SB 40 as reprinted January 18, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 2.

FOLEY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred Engrossed Senate Bill 47, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 17, strike "an" and insert "**a prospective or current**".

Page 2, line 17, after "or" and insert "**a prospective or current**".

Page 3, line 6, delete "an" and insert "**a prospective or current**".

Page 3, line 6, after "or" insert "**a prospective or current**".

Page 3, after line 8, begin a new paragraph and insert:

"**(g) The department may not charge:**

(1) a council of the Girls Scouts of the U.S.A.; or

(2) a council of the Boy Scouts of America;

a fee for responding to a request for the release of a limited criminal history check of a prospective or current employee, or a prospective or current volunteer.".

(Reference is to SB 47 as printed January 11, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

FOLEY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Safety and Homeland Security, to which was referred Engrossed Senate Bill 54, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 10-13-3-40 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 40. (a) The criminal history data fund is established for the purpose of operating and maintaining the central repository for criminal history data. In addition, at the discretion of the superintendent, the fund may be used to establish, operate, or maintain an electronic log to record the sale of drugs containing ephedrine or pseudoephedrine in accordance with IC 35-48-4-14.7. The fund shall be administered by the department.**

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund. However, if at the end of a particular state fiscal year the amount of money that has been deposited in the state general fund in the state fiscal year from handgun license fees (as described in IC 35-47-2-4) is less than one million one hundred thousand dollars ($1,100,000), the treasurer shall transfer from the fund to the state general fund the lesser of the balance in the fund or the difference between one million one hundred thousand dollars ($1,100,000) and the amount of money that has been deposited in the state general fund in the state fiscal year from handgun license fees (as described in IC 35-47-2-4).

SECTION 2. IC 35-41-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) A person is justified in using reasonable force against another person to protect the person or a third person from what the person reasonably believes to be the imminent use of unlawful force. However, a person:

(1) is justified in using deadly force; ~~only~~ **and**

(2) does not have a duty to retreat;

if the person reasonably believes that that force is necessary to prevent serious bodily injury to the person or a third person or the commission of a forcible felony. No person in this state shall be placed in legal jeopardy of any kind whatsoever for protecting the person or a third person by reasonable means necessary.

(b) A person:

(1) is justified in using reasonable force, including deadly force, against another person; **and**

(2) does not have a duty to retreat;

if the person reasonably believes that the force is necessary to prevent or terminate the other person's unlawful entry of or attack on the person's dwelling, ~~or~~ curtilage, **or occupied motor vehicle.**

(c) With respect to property other than a dwelling, ~~or~~ curtilage, **or occupied motor vehicle,** a person is justified in using reasonable force against another person if the person reasonably believes that the force is necessary to immediately prevent or terminate the other person's trespass on or criminal interference with property lawfully in the person's possession, lawfully in possession of a member of the person's immediate family, or belonging to a person whose property the person has authority to protect. However, a person:

(1) is ~~not~~ justified in using deadly force; ~~unless~~ **and**

(2) does not have a duty to retreat;

only if that force is justified under subsection (a).

(d) A person is justified in using reasonable force, including deadly force, against another person **and does not have a duty to retreat** if the person reasonably believes that the force is necessary to prevent or stop the other person from hijacking, attempting to hijack, or otherwise seizing or attempting to seize unlawful control of an aircraft in flight. For purposes of this subsection, an aircraft is considered to be in flight while the aircraft is:

(1) on the ground in Indiana:

(A) after the doors of the aircraft are closed for takeoff; and

(B) until the aircraft takes off;

(2) in the airspace above Indiana; or

(3) on the ground in Indiana:

(A) after the aircraft lands; and

(B) before the doors of the aircraft are opened after landing.

(e) Notwithstanding subsections (a), (b), and (c), a person is not justified in using force if:

(1) the person is committing or is escaping after the commission of a crime;

(2) the person provokes unlawful action by another person with intent to cause bodily injury to the other person; or

(3) the person has entered into combat with another person or is the initial aggressor unless the person withdraws from the encounter and communicates to the other person the intent to do so and the other person nevertheless continues or threatens to continue unlawful action.

(f) Notwithstanding subsection (d), a person is not justified in using force if the person:

(1) is committing, or is escaping after the commission of, a crime;

(2) provokes unlawful action by another person, with intent to cause bodily injury to the other person; or

(3) continues to combat another person after the other person withdraws from the encounter and communicates the other

person's intent to stop hijacking, attempting to hijack, or otherwise seizing or attempting to seize unlawful control of an aircraft in flight.

SECTION 3. IC 35-47-2-3, AS AMENDED BY P.L.187-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) A person desiring a license to carry a handgun shall apply:

(1) to the chief of police or corresponding law enforcement officer of the municipality in which the applicant resides;

(2) if that municipality has no such officer, or if the applicant does not reside in a municipality, to the sheriff of the county in which the applicant resides after the applicant has obtained an application form prescribed by the superintendent; or

(3) if the applicant is a resident of another state and has a regular place of business or employment in Indiana, to the sheriff of the county in which the applicant has a regular place of business or employment.

The superintendent and local law enforcement agencies shall allow an applicant desiring to obtain or renew a license to carry a handgun to submit an application electronically under this chapter if federal funds are available to establish and maintain an electronic application system.

(b) The law enforcement agency which accepts an application for a handgun license shall collect ~~a ten dollar ($10) application fee, five dollars ($5) of which shall be refunded if the license is not issued.~~ **the following application fees:**

(1) From a person applying for a four (4) year handgun license, a ten dollar ($10) application fee, five dollars ($5) of which shall be refunded if the license is not issued.

(2) From a person applying for a lifetime handgun license who does not currently possess a valid Indiana handgun license, a fifty dollar ($50) application fee, thirty dollars ($30) of which shall be refunded if the license is not issued.

(3) From a person applying for a lifetime handgun license who currently possesses a valid Indiana handgun license, a forty dollar ($40) application fee, thirty dollars ($30) of which shall be refunded if the license is not issued.

Except as provided in subsection (h), the fee shall be ~~(1)~~ deposited into the law enforcement agency's firearms training fund or other appropriate training activities fund and ~~(2)~~ used by the agency ~~for the purpose of: (A) training~~ **to train** law enforcement officers in the proper use of firearms or **in** other law enforcement duties, or ~~(B) purchasing~~ **to purchase firearms or firearm related equipment, or both,** for the law enforcement officers employed by the law enforcement agency. ~~firearms, or firearm related equipment, or both.~~ The state board of accounts shall establish rules for the proper accounting and expenditure of funds collected under this subsection.

(c) The officer to whom the application is made shall ascertain the applicant's name, full address, length of residence in the community, whether the applicant's residence is located within the limits of any city or town, the applicant's occupation, place of business or employment, criminal record, if any, and convictions (minor traffic offenses excepted), age, race, sex, nationality, date of birth, citizenship, height, weight, build, color of hair, color of eyes, scars and marks, whether the applicant has previously held an Indiana license to carry a handgun and, if so, the serial number of the license and year issued, whether the applicant's license has ever been suspended or revoked, and if so, the year and reason for the suspension or revocation, and the applicant's reason for desiring a license. The officer to whom the application is made shall conduct an investigation into the applicant's official records and verify thereby the applicant's character and reputation, and shall in addition verify for accuracy the information contained in the application, and shall forward this information together with the officer's recommendation for approval or disapproval and one (1) set of legible and classifiable fingerprints of the applicant to the superintendent.

(d) The superintendent may make whatever further investigation the superintendent deems necessary. Whenever disapproval is recommended, the officer to whom the application is made shall provide the superintendent and the applicant with the officer's complete and specific reasons, in writing, for the recommendation of disapproval.

(e) If it appears to the superintendent that the applicant:

(1) has a proper reason for carrying a handgun;

(2) is of good character and reputation;

(3) is a proper person to be licensed; and

(4) is:

(A) a citizen of the United States; or

(B) not a citizen of the United States but is allowed to carry a firearm in the United States under federal law;

the superintendent shall issue to the applicant a qualified or an unlimited license to carry any handgun lawfully possessed by the applicant. The original license shall be delivered to the licensee. A copy shall be delivered to the officer to whom the application for license was made. A copy shall be retained by the superintendent for at least four (4) years ~~This~~ **in the case of a four (4) year license. The superintendent may adopt guidelines to establish a records retention policy for a lifetime license. A four (4) year** license shall be valid for a period of four (4) years from the date of issue. **A lifetime license is valid for the life of the individual receiving the license.** The license of police officers, sheriffs or their deputies, and law enforcement officers of the United States government who have been honorably retired by a lawfully created pension board or its equivalent after twenty (20) or more years of service, shall be valid for the life of ~~such~~ **these** individuals. However, ~~such~~ **a** lifetime ~~licenses are~~ **license is** automatically revoked if the license holder does not remain a proper person.

(f) At the time a license is issued and delivered to a licensee under subsection (e), the superintendent shall include with the license information concerning handgun safety rules that:

(1) neither opposes nor supports an individual's right to bear arms; and

(2) is:

(A) recommended by a nonprofit educational organization that is dedicated to providing education on safe handling and use of firearms;

(B) prepared by the state police department; and

(C) approved by the superintendent.

The superintendent may not deny a license under this section because the information required under this subsection is unavailable at the time the superintendent would otherwise issue a license. The state police department may accept private donations or grants to defray the cost of printing and mailing the information required under this subsection.

(g) A license to carry a handgun shall not be issued to any person who:

(1) has been convicted of a felony;

(2) has had a license to carry a handgun suspended, unless the person's license has been reinstated;

(3) is under eighteen (18) years of age;

(4) is under twenty-three (23) years of age if the person has been adjudicated a delinquent child for an act that would be a felony if committed by an adult; or

(5) has been arrested for a Class A or Class B felony, or any other felony that was committed while armed with a deadly weapon or that involved the use of violence, if a court has found probable cause to believe that the person committed the offense charged.

In the case of an arrest under subdivision (5), a license to carry a handgun may be issued to a person who has been acquitted of the specific offense charged or if the charges for the specific offense are dismissed. The superintendent shall prescribe all forms to be used in connection with the administration of this chapter.

(h) If the law enforcement agency that charges a fee under subsection (b) is a city or town law enforcement agency, the fee shall be deposited in the law enforcement continuing education fund established under IC 5-2-8-2.

(i) If a person who holds a valid license to carry a handgun issued under this chapter:

(1) changes the person's name; ~~or~~

(2) changes the person's address; **or**

(3) experiences a change, including an arrest or a conviction, that may affect the person's status as a proper person or otherwise disqualify the person from holding a license;

the person shall, not later than **thirty (30) days after the date of a**

change described in subdivision (3), and not later than sixty (60) days after the date of the change **described under subdivision (1) or (2),** notify the superintendent, in writing, of **the event described under subdivision (3) or, in the case of a change under subdivision (1) or (2),** the person's new name or new address.

(j) The state police shall indicate on the form for a license to carry a handgun the notification requirements of subsection (i).

(k) The state police department shall adopt rules under IC 4-22-2 to implement an electronic application system under subsection (a). Rules adopted under this subsection must require the superintendent to keep on file one (1) set of classifiable and legible fingerprints from every person who has received a license to carry a handgun so that a person who applies to renew a license will not be required to submit an additional set of fingerprints.

SECTION 4. IC 35-47-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. (a) Licenses to carry handguns shall be either qualified or unlimited**, and are valid for:**

(1) four (4) years from the date of issue in the case of a four (4) year license; or

(2) the life of the individual receiving the license in the case of a lifetime license.

A qualified license shall be issued for hunting and target practice. The superintendent may adopt rules imposing limitations on the use and carrying of handguns under a license when handguns are carried by a licensee as a condition of employment. Unlimited licenses shall be issued for the purpose of the protection of life and property.

(b) In addition to the application fee, the fee for:

(1) a qualified license shall be:

(A) five dollars ($5) **for a four (4) year qualified license;**

(B) twenty-five dollars ($25) for a lifetime qualified license from a person who does not currently possess a valid Indiana handgun license; or

(C) twenty dollars ($20) for a lifetime qualified license from a person who currently possesses a valid Indiana handgun license; and ~~the fee for~~

(2) an unlimited license shall be:

(A) ~~fifteen dollars ($15)~~ **thirty dollars ($30) for a four (4) year unlimited license;**

(B) seventy-five dollars ($75) for a lifetime unlimited license from a person who does not currently possess a valid Indiana handgun license; or

(C) sixty dollars ($60) for a lifetime unlimited license from a person who currently possesses a valid Indiana handgun license.

The superintendent shall charge a ~~five dollar ($5)~~ **twenty dollar ($20)** fee for the issuance of a duplicate license to replace a lost or damaged license. These fees shall be deposited ~~by the superintendent with the treasurer of state.~~ **in accordance with subsection (e).**

(c) Licensed dealers are exempt from the payment of fees specified in subsection (b) for a qualified license or an unlimited license.

(d) The following officers of this state or the United States who have been honorably retired by a lawfully created pension board or its equivalent after at least twenty (20) years of service or because of a disability are exempt from the payment of fees specified in subsection (b):

(1) Police officers.

(2) Sheriffs or their deputies.

(3) Law enforcement officers.

(4) Correctional officers.

(e) Fees collected under this section shall be deposited as follows:

(1) One hundred percent (100%) of the fees for:

(A) a qualified license described in subsection (b)(1); and

(B) a four (4) year unlimited license described in subsection (b)(2)(A);

shall be deposited in the state general fund.

(2) Of the lifetime unlimited license fee from a person who does not currently possess a valid Indiana handgun license (as described in subsection (b)(2)(B)):

(A) forty-five dollars ($45) shall be deposited in the state general fund; and

(B) thirty dollars ($30) shall be deposited in the criminal history data fund established by IC 10-13-3-40.

(3) Of the lifetime unlimited license fee from a person who currently possesses a valid Indiana handgun license (as described in subsection (b)(2)(C)):

(A) thirty dollars ($30) shall be deposited in the state general fund; and

(B) thirty dollars ($30) shall be deposited in the criminal history data fund established by IC 10-13-3-40.

SECTION 5. IC 35-47-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. **(a)** Every initial application for any license under this chapter shall be granted or rejected within sixty (60) days after the application is filed.

(b) The period during which an application for the renewal of an existing license may be filed begins one hundred eighty (180) days before the expiration of the existing license. If the application for renewal of an existing license is filed within thirty (30) days of its expiration, the existing license is automatically extended until the application for renewal is passed upon.

SECTION 6. IC 35-47-2.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. **(a)** This chapter does not apply to the following:

(1) Transactions between persons who are licensed as firearms importers or collectors or firearms manufacturers or dealers under 18 U.S.C. 923.

(2) Purchases by or sales to a law enforcement officer or agent of the United States, the state, or a county or local government.

(3) Indiana residents licensed to carry handguns under IC 35-47-2-3.

(b) Notwithstanding any other provision of this chapter, the state shall participate in the NICS if federal funds are available to assist the state in participating in the NICS. If:

(1) the state participates in the NICS; and

(2) there is a conflict between:

(A) a provision of this chapter; and

(B) a procedure required under the NICS;

the procedure required under the NICS prevails over the conflicting provision of this chapter.

SECTION 7. IC 35-47-2.5-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 2.5. As used in this chapter, "NICS" refers to the National Instant Criminal Background Check System maintained by the Federal Bureau of Investigation in accordance with the federal Brady Handgun Violence Prevention Act (18 U.S.C. 921 et seq.).**

SECTION 8. IC 35-47-2.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. ~~(a) Notwithstanding any other law, a person purchasing a handgun from a dealer shall consent in writing, on a form to be provided by the superintendent, to have the dealer obtain criminal history information.~~

~~(b) The form shall include, in addition to the information required by section 4 of this chapter, the same information required to be included on the firearms transaction record required by federal regulations administered by the Bureau of Alcohol, Tobacco, and Firearms of the United States Department of the Treasury. However, the form may not include any information related to the handgun.~~

(a) A person purchasing a handgun from a dealer shall complete and sign Bureau of Alcohol, Tobacco, Firearms and Explosives Form 4473.

~~(c)~~ **(b) The dealer shall forward** ~~The copies~~ **a copy** of the ~~forms shall be mailed or delivered~~ **Form 4473 signed by the purchaser** to the state police department before the last day of the month following the sale.

SECTION 9. IC 35-47-2.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. **(a)** A dealer may not sell, rent, trade, or transfer from the dealer's inventory a handgun to a person until the dealer has done all of the following:

(1) Obtained from the prospective purchaser ~~written consent to a criminal history check,~~ **a completed and signed Form 4473** as specified in section 3 of this chapter.

~~(2) Provided the state police department with the prospective purchaser's name, birth date, gender, race, Social Security number, and any other identification required of the prospective~~

~~purchaser.~~
~~(3) Requested and received criminal history information from the state police department by means of:~~
~~(A) a telephone call; or~~
~~(B) other electronic means.~~
(2) Contacted NICS:
(A) by telephone; or
(B) electronically;
to request a background check on the prospective purchaser.
(3) Received authorization from NICS to transfer the handgun to the prospective purchaser.
(b) The dealer shall record the NICS transaction number on Form 4473 and retain Form 4473 for auditing purposes.

SECTION 10. IC 35-47-2.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 12. A person who knowingly or intentionally makes a materially false statement on ~~the consent form required by~~ **a Form 4473 completed and forwarded under** section 3 of this chapter commits a Class D felony.

SECTION 11. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2006]: IC 4-6-3-12; IC 35-47-2.5-6; IC 35-47-2.5-7; IC 35-47-2.5-8; IC 35-47-2.5-9; IC 35-47-2.5-10; IC 35-47-2.5-11.

SECTION 12. [EFFECTIVE JULY 1, 2006] **IC 35-47-2.5-12, as amended by this act, applies only to crimes committed after June 30, 2006.**

(Reference is to SB 54 as printed January 27, 2006.)
and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 2.

RUPPEL, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment and Labor, to which was referred Engrossed Senate Bill 58, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

TORR, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Engrossed Senate Bill 60, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 7, nays 5.

BEHNING, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Utilities and Energy, to which was referred Engrossed Senate Bill 69, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 6, nays 1.

J. LUTZ, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred Engrossed Senate Bill 71, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, between lines 30 and 31, begin a new paragraph and insert:

"**(d) Not later than June 1 of each year, the county treasurer shall, in the manner specified by the state land office, send to the state land office a list of all properties:**

(1) for which one (1) or more assessment payments under this section are delinquent; and

(2) that are owned by:

(A) the state; or

(B) a state agency.".

(Reference is to SB 71 as printed January 27, 2006.)
and when so amended that said bill do pass.

Committee Vote: yeas 8, nays 0.

HINKLE, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Utilities and Energy, to which was referred Engrossed Senate Bill 72, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 8, nays 0.

J. LUTZ, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment and Labor, to which was referred Engrossed Senate Bill 85, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 11, nays 0.

TORR, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred Engrossed Senate Bill 87, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

GUTWEIN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred Engrossed Senate Bill 102, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 3, delete "person" and insert "**donor**".

Page 1, line 4, delete "decedent's" and insert "**donor's**".

Page 1, line 5, after "from" insert "**the**".

Page 1, line 5, after "or" delete "the".

Page 1, line 9, after estate, insert "in connection with the".

Page 1, line 9, after "making" insert "**of**".

(Reference is to SB 102 as printed January 11, 2006.)
and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

FOLEY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 106, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 5, reset in roman "and".

Page 2, line 7, delete "; and" and insert ".".

Page 2, delete lines 8 through 16.

Page 2, line 17, delete "from the state gross retail tax.".

Page 3, line 4, delete ", which must" and insert ".".

Page 3, delete line 5.

Page 3, line 6, delete " perjury that the information contained in the affidavit is true.".

Page 3, run in lines 4 and 6.

Page 3, line 12, delete "(e)".

Page 3, line 12, strike "The department shall provide the information necessary to".

Page 3, line 13, delete "determine a purchaser's eligibility for".

Page 3, line 13, strike "an".

Page 3, strike lines 14 through 15.

(Reference is to SB 106 as printed January 27, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 17, nays 0.

ESPICH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Family, Children and Human Affairs, to which was referred Engrossed Senate Bill 112, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

BUDAK, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred Engrossed Senate Bill 114, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 8, line 21, after "differing" insert "**composition.**".

Page 8, delete lines 22 through 24.

Page 8, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 4. IC 29-1-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. (a) Forty-five (45) days after the death of a decedent and upon being presented an affidavit that complies with subsection (b), a person:

(1) indebted to the decedent; or

(2) having possession of personal property or an instrument evidencing a debt, an obligation, a stock, or a chose in action belonging to the decedent;

shall make payment of the indebtedness or deliver the personal property or ~~an~~ **the** instrument evidencing a debt, an obligation, a stock, or a chose in action to a person claiming to be entitled to payment or delivery of property of the decedent.

(b) The affidavit required by subsection (a) must be an affidavit made by or on behalf of the claimant ~~stating that:~~ **and must state the following:**

(1) **That** the value of the gross probate estate, wherever located (less liens and encumbrances), does not exceed ~~twenty-five~~ **fifty** thousand dollars ~~($25,000);~~ **($50,000).**

(2) **That** forty-five (45) days have elapsed since the death of the decedent.

(3) **That** no application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction. ~~and~~

(4) The name and address of each other person that is entitled to a share of the property and the part of the property to which each person is entitled.

(5) That the claimant has notified each person identified in the affidavit of the claimant's intention to present an affidavit under this section.

~~(4)~~ **(6) That** the claimant is entitled to payment or delivery of the property **on behalf of each person identified in the affidavit.**

(c) If a motor vehicle or watercraft (as defined in IC 9-13-2-198.5) is part of the estate, nothing in this section shall prohibit a transfer of the certificate of title to the motor vehicle if five (5) days have elapsed since the death of the decedent and no appointment of a personal representative is contemplated. A transfer under this subsection shall be made by the bureau of motor vehicles upon receipt of an affidavit containing a statement of the conditions required by subsection (b)(1) and ~~(b)(4).~~ **(b)(6).** The affidavit must be duly executed by the distributees of the estate.

(d) A transfer agent of a security shall change the registered ownership on the books of a corporation from the decedent to a claimant upon the presentation of an affidavit as provided in subsection (a).

(e) For the purposes of subsection (a), an insurance company that, by reason of the death of the decedent, becomes obligated to pay a death benefit to the estate of the decedent is considered a person indebted to the decedent.

(f) For purposes of subsection (a), property in a safe deposit box rented by a decedent from a financial institution organized or reorganized under the law of any state (as defined in IC 28-2-17-19) or the United States is considered personal property belonging to the decedent in the possession of the financial institution.

SECTION 5. IC 29-1-8-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4.5. The person claiming to be entitled to payment or delivery of the property belonging to the decedent may present to the court having jurisdiction over **the** decedent's estate an affidavit containing a statement of the conditions required under ~~subdivisions (1) through (4) of section 1(a)~~ **section (1)(b)** of this chapter. Upon receipt of the affidavit, the court may, without notice and hearing, enter an order that the claimant is entitled to payment or delivery of the property.".

Page 11, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 9. [EFFECTIVE JULY 1, 2006] **IC 29-1-8-1 and IC 29-1-8-4.5, both as amended by this act, apply to the estate of an individual who dies after June 30, 2006.**".

Renumber all SECTIONS consecutively.

(Reference is to SB 114, Printer's Error, as reprinted January 25, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 8, nays 0.

FOLEY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred Engrossed Senate Bill 133, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 8, nays 1.

DUNCAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Environmental Affairs, to which was referred Engrossed Senate Bill 146, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 8, nays 0.

WOLKINS, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 148, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 6, strike "and".

Page 1, line 8, delete "." and insert "; **and**

(3) Jasper County.".

Page 1, line 9, after "(b)" insert "**This subsection applies only to a county described in subsection (a)(1) or (a)(2).**".

Page 2, line 5, delete "maintain any of the facilities described in" and insert "**maintain:**

(1) jail facilities;

(2) juvenile court, detention, and probation facilities;

(3) other criminal justice facilities; and

(4) related buildings and parking facilities;".

Page 2, line 6, delete "subsection (b)(1)(A) through (b)(1)(D) that are".

Page 2, line 6, beginning with "located" begin a new line blocked

left.

Page 2, line 7, delete "The" and insert "**A**".

Page 2, line 7, after "county council" insert "**of a county described in subsection (a)(1) or (a)(2)**".

Page 2, line 42, after "(3)" insert "**if the county imposing the tax under this section is a county with a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000),**".

Page 6, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 4. IC 6-3.5-6-29 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 29. (a) This section applies only to Scott County. Scott County is a county in which:**

(1) maintaining low property tax rates is essential to economic development; and

(2) the use of additional county option income tax revenues as provided in this section, rather than the use of property taxes, to fund:

(A) the financing, construction, acquisition, improvement, renovation, or equipping of jail facilities; and

(B) the repayment of bonds issued or leases entered into for the purposes described in clause (A);

promotes the purpose of maintaining low property tax rates.

(b) The county fiscal body may impose the county option income tax on the adjusted gross income of resident county taxpayers at a rate, in addition to the rates permitted by sections 8 and 9 of this chapter, not to exceed twenty-five hundredths percent (0.25%). Section 8(e) of this chapter applies to the application of the additional rate to nonresident taxpayers.

(c) To impose the county option income tax as provided in this section, the county fiscal body must adopt an ordinance finding and determining that additional revenues from the county option income tax are needed in the county to fund:

(1) the financing, construction, acquisition, improvement, renovation, or equipping of jail facilities; and

(2) the repayment of bonds issued or leases entered into for the purposes described in subdivision (1).

(d) If the county fiscal body makes a determination under subsection (c), the county fiscal body may adopt an additional tax rate under subsection (b). Subject to the limitations in subsection (b), the county fiscal body may amend an ordinance adopted under this section to increase, decrease, or rescind the additional tax rate imposed under this section. As soon as practicable after the adoption of an ordinance under this section, the county fiscal body shall send a certified copy of the ordinance to the county auditor, the department of local government finance, and the department. An ordinance adopted under this section before April 1 in a year applies to the imposition of county income taxes after June 30 in that year. An ordinance adopted under this section after March 31 of a year initially applies to the imposition of county option income taxes after June 30 of the immediately following year.

(e) If the county imposes an additional tax rate under this section, the county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 18 of this chapter.

(f) County option income tax revenues derived from an additional tax rate imposed under this section:

(1) may be used only for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged for the repayment of bonds issued or leases entered into to fund the purposes described in subsection (c)(1).

(g) If the county imposes an additional tax rate under this section, the department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of the county to provide for an increased distribution of taxes in the immediately following calendar year after the county adopts the increased tax rate and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in section 17(a)(1) through 17(a)(2) of this chapter in the manner provided in section 17(c) of this chapter.

SECTION 5. IC 6-3.5-7-5, AS AMENDED BY P.L.214-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

(1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;

(2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or

(3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r) the county economic development income tax may be imposed at a rate of:

(1) one-tenth percent (0.1%);
(2) two-tenths percent (0.2%);
(3) twenty-five hundredths percent (0.25%);
(4) three-tenths percent (0.3%);
(5) thirty-five hundredths percent (0.35%);
(6) four-tenths percent (0.4%);
(7) forty-five hundredths percent (0.45%); or
(8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), or (s), the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), ~~or~~ (t), **or (u),** the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect July 1 of this year.".

(e) Any ordinance adopted under this chapter takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

(A) fifteen-hundredths percent (0.15%);
(B) two-tenths percent (0.2%); or
(C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section. However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on ~~homesteads~~ **residential property** (as defined in ~~IC 6-1.1-20.9-1~~ **section 26(b)(4) of this chapter)** resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(u) This subsection applies to a county to which IC 6-3.5-6-29 applies. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

SECTION 6. IC 6-3.5-7-26, AS AMENDED BY P.L.199-2005, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) This section applies only to homestead credits for property taxes first due and payable after calendar year 2006.

(b) ~~For purposes of~~ **The following definitions apply throughout** this section:

(1) "Adopt" includes amend.

(2) "Adopting entity" means:

~~(1)~~ **(A)** the entity that adopts an ordinance under IC 6-1.1-12-41(f); or

~~(2)~~ **(B)** any other entity that may impose a county economic development income tax under section 5 of this chapter.

(3) "Homestead" refers to tangible property that is eligible for a homestead credit under IC 6-1.1-20.9.

(4) "Residential" refers to real property, mobile homes, and industrialized housing classified under the standards specified by the department of local government finance as

used for a residential purpose, including tangible property that would qualify as a homestead if the taxpayer had filed for a homestead credit under IC 6-1.1-20.9 and rental residential property.

(c) An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. An ordinance must be adopted under this subsection after January 1 but before April 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the later of the calendar year that immediately succeeds the calendar year in which the ordinance is adopted or calendar year 2007; and

(2) must specify that the certified distribution must be used to provide for **one (1) of the following, as determined by the adopting entity:**

(A) Uniformly applied increased homestead credits as provided in subsection (f). ~~or~~

(B) Uniformly applied increased residential credits as provided in subsection (g).

~~(B)~~ **(C)** Allocated increased homestead credits as provided in subsection ~~(h).~~ **(i).**

(D) Allocated increased residential credits as provided in subsection (j).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 25 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

(1) retained by the county auditor under subsection ~~(i),~~ **(k);** and

(2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the adopting entity shall use the certified distribution described in section 16(c) of this chapter to increase:

(1) if the ordinance grants a credit described in subsection (c)(2)(A) or (c)(2)(C), the homestead credit allowed in the county under IC 6-1.1-20.9 for a year; **or**

(2) if the ordinance grants a credit described in subsection (c)(2)(B) or (c)(2)(D), the property tax replacement credit allowed in the county under IC 6-1.1-21-5 for a year for the residential property;

to offset the effect on homesteads **or residential property, as applicable,** in the county resulting from the statewide deduction for inventory under IC 6-1.1-12-42. **The amount of an additional residential property tax replacement credit granted under this section may not be considered in computing the amount of any homestead credit to which the residential property may be entitled under IC 6-1.1-20.9 or another law other than IC 6-1.1-20.6.**

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(2)(A), the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) If the imposing entity specifies the application of uniform increased residential credits under subsection (c)(2)(B), the county auditor shall determine for each calendar year in which an increased homestead credit percentage is authorized under this section:

(1) the amount of the certified distribution that is available to provide an increased residential property tax replacement credit percentage for the year;

(2) the amount of uniformly applied residential property tax replacement credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of residential property tax replacement credit that equates to the amount of residential property tax replacement credits determined under subdivision (2).

~~(g)~~ **(h)** The increased percentage of homestead credit determined by the county auditor under subsection (f) **or the increased percentage of residential property tax replacement credit determined by the county auditor under subsection (g)** applies uniformly in the county in the calendar year for which the increased percentage is determined.

~~(h)~~ **(i)** If the imposing entity specifies the application of allocated increased homestead credits under subsection ~~(c)(2)(B),~~ **(c)(2)(C),** the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit for the year; and

(2) except as provided in subsection ~~(j),~~ **(l),** an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-42 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-42 in the county for the immediately preceding year's assessment date.

(j) If the imposing entity specifies the application of allocated increased residential property tax replacement credits under subsection (c)(2)(D), the county auditor shall determine for each calendar year in which an increased residential property tax replacement credit is authorized under this section:

(1) the amount of the certified distribution that is available to provide an increased residential property tax replacement credit for the year; and

(2) except as provided in subsection (l), an increased percentage of residential property tax replacement credit for each taxing district in the county that allocates to the taxing district an amount of increased residential property tax replacement credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-42 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-42 in the county for the immediately preceding year's assessment date.

~~(i)~~ **(k)** The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit **or residential property tax replacement credit** within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

(1) as if the money were from property tax collections; and

(2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit **or residential property tax replacement credit.**

~~(j)~~ **(l)** Subject to the approval of the imposing entity, the county auditor may adjust the increased percentage of:

(1) homestead credit determined under subsection ~~(h)(2)~~ **(i)(2)** if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the homesteads in the county; **or**

(2) residential property tax replacement credit determined under subsection (j)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the residential property

in the county.

SECTION 7. IC 6-9-24-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. (a) If the tax is imposed by a municipality under this chapter, the tax terminates January 1, ~~2007.~~ **2017.**

(b) This chapter expires July 1, ~~2007.~~ **2017.**

SECTION 8. IC 6-9-27-9.5, AS ADDED BY P.L.214-2005, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9.5. (a) A city shall use money in the fund established under section 8.5 of this chapter for only the following:

(1) Renovating the city hall.

(2) Constructing new police or fire stations, or both.

(3) Improving the city's sanitary sewers or wastewater treatment facilities, or both.

(4) Improving the city's storm water drainage systems.

(5) Other projects involving the city's water system or protecting the city's well fields, as determined by the city fiscal body.

Money in the fund may not be used for the operating costs of a project. ~~In addition, the city may not initiate a project under this chapter after December 31, 2010.~~

(b) The fiscal body of the city may pledge money in the fund to pay bonds issued, loans obtained, and lease payments or other obligations incurred by or on behalf of the city or a special taxing district in the city to provide the projects described in subsection (a).

(c) Subsection (b) applies only to bonds, loans, lease payments, or obligations that are issued, obtained, or incurred after the date on which the tax is imposed under section 3 of this chapter.

(d) A pledge under subsection (b) is enforceable under IC 5-1-14-4.

SECTION 9. [EFFECTIVE UPON PASSAGE] **(a) The general assembly finds that:**

(1) IC 6-3.5-1.1-2.8, as amended by this act, allows Jasper County to fund the operation and maintenance of a jail and juvenile detention center through the use of county option income tax revenues; and

(2) allowing Jasper County to fund the operation and maintenance of a jail and juvenile detention center through the use of county option income tax revenues rather than the use of property taxes promotes the purpose of maintaining low property tax rates and is essential to economic development.

(b) These special circumstances require legislation particular to Jasper County.

SECTION 10. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "adopting entity" has the meaning set forth in IC 6-3.5-7-26.**

(b) Notwithstanding IC 6-3.5-7-5, IC 6-3.5-7-6, and IC 6-3.5-7-26, an adopting entity may adopt or amend an ordinance under IC 6-3.5-7-26 in 2006 before June 1, 2006. A tax rate imposed in an ordinance adopted before June 1, 2006, applies to the adjusted gross income of county taxpayers on July 1, 2006.".

Renumber all SECTIONS consecutively.

(Reference is to SB 148 as printed January 20, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 16, nays 4.

ESPICH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred Engrossed Senate Bill 154, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 8, nays 3.

DUNCAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Safety and Homeland Security, to which was referred Engrossed Senate Bill 206, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

RUPPEL, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred Engrossed Senate Bill 208, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 11, nays 0.

DUNCAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred Engrossed Senate Bill 217, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 8, nays 0.

HINKLE, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred Engrossed Senate Bill 232, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 9, nays 0.

FOLEY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 258, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and taxation.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-3-1-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 7. The governor, with the assistance of the budget director, is responsible for establishing and maintaining internal controls (as defined in IC 4-12-1-1.5) on the collection, recording, processing, summarizing, and reporting of accounting and financial information in all state agencies in the executive department of state government. The governor and the budget director shall work with the state board of accounts to formulate, prescribe, and install systems of accounting and reporting under IC 5-11-1-2, IC 5-11-1-21, and IC 5-11-1-26 to ensure sufficient internal control over accounting and financial information to enable the governor and budget director to make the certifications required by IC 4-12-1-19.**

SECTION 2. IC 4-12-1-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 1.5. As used in this chapter, "internal control" means a process, effected by the governor, the state board of accounts, and other personnel in the executive department of state government, designed to provide reasonable assurance regarding the achievement of the following objectives:**

(1) Effectiveness and efficiency of operations, including the use of the resources at the disposal of the executive department of state government.

(2) The reliability of financial reporting, including the

following:

(A) Reports on budget execution.

(B) Financial statements.

(C) Other reports for internal and external use.

(3) Compliance with applicable laws and rules.

(4) Safeguarding assets.

SECTION 3. IC 4-12-1-19 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 19. (a) This section applies to the following statements:**

(1) Year end closing statements that:

(A) include financial information about the state cash or fund balances, revenues, or expenditures; and

(B) are prepared by the budget agency, the budget committee, or another entity for the budget agency or the budget committee.

(2) Any other interim or biennial statement that:

(A) concerns state cash or state fund balances, revenues, or expenditures;

(B) is prepared by the budget agency, the budget committee, or another entity for the budget agency or the budget committee; and

(C) is distributed outside the budget agency.

(3) A comprehensive annual financial report prepared by the auditor of state.

(4) To the extent provided in subsection (c), budget reports prepared under this chapter and surplus statements prepared by the budget agency, the budget committee, or another entity for the budget agency or the budget committee that:

(A) forecast the effect of appropriations or expenditures on cash or fund balances in a future period; and

(B) are distributed outside the budget agency.

(b) The budget director and the governor both shall certify in a statement described in subsection (a) that:

(1) the signing officers have reviewed the statement;

(2) based on the signing officers' knowledge, the statement does not:

(A) contain any untrue statement of a material fact; or

(B) omit a material fact necessary to make the statements made, in light of the circumstances under which the statements are made, not misleading;

(3) based on the signing officer's knowledge, the information in the statement fairly presents in all material respects the financial condition and results of operations of the state covered by the statement as of and for the periods presented in the statement;

(4) the signing officers:

(A) are responsible for establishing and maintaining internal controls on the collection, recording, and reporting of accounting and financial information in the executive department of state government;

(B) have designed the internal controls to ensure that material information relating to the executive department of state government is made known to the signing officers by others within those entities, particularly during the period for which the statement is prepared;

(C) have evaluated the effectiveness of the state's internal controls within ninety (90) days before the date of the statement; and

(D) have presented in the statement their conclusions about the effectiveness of the internal controls based on their evaluation as of that date;

(5) the signing officers have disclosed to the auditor of state, the members of the state board of finance, and the state board of accounts:

(A) all significant deficiencies in the design or operation of internal controls in the executive department of state government and, to the extent known to the signing officers, in any other agency or component unit covered by the statement that could adversely affect the state's ability to collect, record, process, summarize, and report accounting and financial data, and have identified for the auditor of state, the members of the state board of finance, and the state board of accounts any material weaknesses in internal controls; and

(B) any fraud, whether or not material, that involves officials or other employees who have a significant role in the state's internal controls of the executive department of state government and, to the extent known to the signing officers, in any other agency or component unit covered by the statement; and

(6) the signing officers have indicated in the statement whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

(c) This subsection applies to a statement described in subsection (a)(3). The certifications described in subsection (b)(1) and (b)(2) must be included with the statement. The budget director and the governor also must include a certification that information in the statement is reported using the same accounting and reporting principles and methods that apply to the reporting of historical financial information. However, if there is a change in accounting principles and methods, the budget director and the governor shall indicate the change in accounting principles and methods as an exception and explain the effect of the change in accounting principles and methods on the financial information.

(d) The auditor of state shall include a statement prepared under this section for a comprehensive annual financial report as supplemental information.

SECTION 4. IC 5-1-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 15, 2006 (RETROACTIVE)]: Sec. 1. (a) **The following definitions apply throughout this section:**

(1) "Agreement" means any agreement that includes terms, representations, or provisions relating to:

(A) credit enhancement of, or rate covenants supporting, any bonds, notes, evidences of indebtedness, leases, swap agreements, or other written obligations described in subsection (b);

(B) any indenture or provision regarding any indenture relating to any bonds, notes, evidences of indebtedness, leases, swap agreements, or other written obligations described in subsection (b);

(C) payment of any bonds, notes, evidences of indebtedness, leases, swap agreements, or other written obligations described in subsection (b) in the event of a termination of the agreement; or

(D) public works, capital improvements, or economic development projects.

(2) "Leasing body" means a not-for-profit corporation, limited purpose corporation, or authority that has leased land and a building or buildings to an entity named in subsection (b) other than another leasing body.

(3) "Swap agreement" has the meaning set forth in IC 8-9.5-9-4.

(b) All bonds, notes, evidences of indebtedness, **swap agreements, agreements,** leases, or other written obligations issued **or executed** by or in the name of any:

(1) state agency, county, township, city, incorporated town, school corporation, state educational institution, state supported institution of higher learning, political subdivision, joint agency created under IC 8-1-2.2, leasing body, **separate body corporate and politic,** or any other political, municipal, public or quasi-public corporation; ~~or in the name of any~~

(2) special assessment or taxing district; or ~~in the name of any~~

(3) board, commission, authority, or authorized body of any such entity; and

any pledge, dedication or designation of revenues, conveyance, or mortgage securing these bonds, notes, evidences of indebtedness, leases, **swap agreements, agreements,** or other written obligations are hereby legalized and declared valid if these bonds, notes, evidences of indebtedness, leases, **swap agreements, agreements,** or other written obligations have been executed before March 15, ~~2000.~~

2006. All **governance, organizational, or other** proceedings had and actions taken under which the bonds, notes, evidences of indebtedness, leases, **swap agreements, agreements,** or other written obligations were issued **or executed** or the pledge, dedication or designation of revenues, conveyance, or mortgage was granted, are hereby fully legalized and declared valid.

(c) All contracts for the purchase of electric power and energy or utility capacity or service:

(1) entered into by a joint agency created under IC 8-1-2.2; and

(2) its members used for the purpose of securing payment of principal and interest on bonds, notes, evidences of indebtedness, leases, or other written obligations issued by or in the name of such joint agency;

are hereby legalized and declared valid if entered into before March 15, ~~2000.~~ **2006.** All proceedings held and actions taken under which contracts for the purchase of electric power and energy or utility capacity or service were executed or entered into are hereby fully legalized and declared valid.

(d) All interlocal cooperation agreements entered into by political subdivisions or governmental entities under IC 36-1-7 are hereby legalized and declared valid if entered into before March 15, ~~2000.~~ **2006.** All proceedings held and actions taken under which interlocal cooperation agreements were executed or entered into are hereby fully legalized and validated.".

Page 8, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 11. IC 6-3-1-3.5, AS AMENDED BY P.L.246-2005, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars ($1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars ($1,000).

(4) Subtract one thousand dollars ($1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) **for taxable years beginning after December 31, 2004, and before January 1, 2006,** one thousand five hundred dollars ($1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code ~~for taxable years beginning after December 31, 1996,~~ **(as effective January 1, 2004) and for taxable years beginning after December 31, 2005, one thousand five hundred dollars ($1,500) for each of the exemptions allowed under Section 151(c) of the Internal Revenue Code for a dependent that qualifies as a qualified child (as defined in Section 152 of the Internal Revenue Code);** and

(B) five hundred dollars ($500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars ($40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars ($2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars ($2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which

bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars ($2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars ($2,500).

SECTION 12. IC 6-3-1-11, AS AMENDED BY P.L.246-2005, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 11. (a) The term "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended and in effect on January 1, ~~2005.~~ **2006.**

(b) Whenever the Internal Revenue Code is mentioned in this article, the particular provisions that are referred to, together with all the other provisions of the Internal Revenue Code in effect on January 1, ~~2005,~~ **2006,** that pertain to the provisions specifically mentioned, shall be regarded as incorporated in this article by reference and have the same force and effect as though fully set forth in this article. To the extent the provisions apply to this article, regulations adopted under Section 7805(a) of the Internal Revenue Code and in effect on January 1, ~~2005,~~ **2006,** shall be regarded as rules adopted by the department under this article, unless the department adopts specific rules that supersede the regulation.

(c) An amendment to the Internal Revenue Code made by an act passed by Congress before January 1, ~~2005,~~ **2006,** that is effective for any taxable year that began before January 1, ~~2005,~~ **2006,** and that affects:

(1) individual adjusted gross income (as defined in Section 62 of the Internal Revenue Code);

(2) corporate taxable income (as defined in Section 63 of the Internal Revenue Code);

(3) trust and estate taxable income (as defined in Section 641(b) of the Internal Revenue Code);

(4) life insurance company taxable income (as defined in Section 801(b) of the Internal Revenue Code);

(5) mutual insurance company taxable income (as defined in Section 821(b) of the Internal Revenue Code); or

(6) taxable income (as defined in Section 832 of the Internal Revenue Code);

is also effective for that same taxable year for purposes of determining adjusted gross income under section 3.5 of this chapter.

SECTION 13. [EFFECTIVE JULY 1, 2006] **IC 4-12-1-19, as added by this act, applies to statements prepared for fiscal years beginning after June 30, 2007, regardless of the accounting periods that are covered in the statement.**".

Renumber all SECTIONS consecutively.

(Reference is to SB 258 as reprinted January 24, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 23, nays 0.

ESPICH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 260, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 17. (a) On or before June 1 of each year, each township assessor of a county shall deliver to the county assessor a list which states by taxing district the total of the personal property assessments as shown on the personal property returns filed with the assessor on or before the filing date of that year and in a county with a township assessor under IC 36-6-5-1 in every township the township assessor shall deliver the lists to the county auditor as prescribed in subsection (b).

(b) On or before July 1 of each year, each county assessor shall certify to the county auditor the assessment value of the personal property in every taxing district.

(c) The department of local government finance shall prescribe the forms required by this section.

(d) The county auditor may after complying with IC 6-1.1-17-1 adjust the list of taxable property received under this section to reflect deductions and exemptions granted after the date the list is prepared.".

Page 2, line 12, delete "earlier" and insert "**earliest**".

Page 2, line 17, delete "or".

Page 2, line 19, delete "." and insert "**; or**

(3) the date on which a building permit is issued for construction of a building or structure on the land.".

Page 2, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-5-14, AS AMENDED BY P.L.88-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 14. Not later than May 15 each assessing official shall prepare and deliver to the county assessor a detailed list of the real property listed for taxation in the township. On or before July 1 of each year, each county assessor shall, under oath, prepare and deliver to the county auditor a detailed list of the real property listed for taxation in the county. In a county with an elected township assessor in every township the township assessor shall prepare the real property list. The assessing officials and the county assessor shall prepare the list in the form prescribed by the department of local government finance. The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor. **The county auditor may after complying with IC 6-1.1-17-1 adjust the list of taxable property received under this section to reflect deductions and exemptions granted after the date the list is prepared.**".

Page 5, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 7. IC 6-1.1-9-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 10. (a) If in the course of a review of a taxpayer's personal property assessment under this chapter an assessing official or the assessing official's representative discovers an error indicating that the taxpayer has overreported a personal property assessment, the assessing official shall:**

(1) adjust the personal property assessment to correct the error; and

(2) process a refund or credit for any resulting overpayment.

(b) Application of subsection (a) is subject to the restrictions of IC 6-1.1-11-1.

SECTION 8. IC 6-1.1-10.1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 11. (a) A high impact business that desires to obtain the property tax credit provided by section 10 of this chapter must file a certified credit application, on forms prescribed by the department of local government finance, with the auditor of the county in which the inventory is located. The credit application must be filed ~~on or~~ before ~~May 15~~ **August 1** each year. If the high impact business obtains a filing extension under IC 6-1.1-3-7(b) for any year, the application for the year must be filed by the extended due date for that year.

(b) The property tax credit application required by this section must contain the following information:

(1) The name of the high impact business owning the inventory.

(2) A description of the inventory for which a property tax credit is claimed in sufficient detail to afford identification.

(3) The assessed value of the inventory subject to the property tax credit.

(4) Any other information considered necessary by the department of local government finance.

(c) On verification of the correctness of a property tax credit application by the assessors of the townships in which the inventory is located, the county auditor shall grant the property tax credit.

(d) The property tax credit and the period of the credit provided for inventory under section 10 of this chapter are not affected by a change in the ownership of the high impact business if the new owner of the high impact business owning the inventory:

(1) continues the business operation of the high impact business within the commission's jurisdiction and maintains employment levels within the commission's jurisdiction consistent with the certification and pledge required under section 9(a) of this chapter; and

(2) files an application in the manner provided by subsections (a) and (b).

SECTION 9. IC 6-1.1-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 3. (a) Subject to subsections (e) ~~and~~ (f), **and (g),** an owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the county assessor of the county in which the property that is the subject of the exemption is located. The application must be filed annually ~~on or~~ before ~~May 15~~ **August 1** on forms prescribed by the department of local government finance. Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by an executed power of attorney.

(c) An exemption application which is required under this chapter shall contain the following information:

(1) A description of the property claimed to be exempt in sufficient detail to afford identification.

(2) A statement showing the ownership, possession, and use of the property.

(3) The grounds for claiming the exemption.

(4) The full name and address of the applicant.

(5) For the year that ends on the assessment date of the property, identification of:

(A) each part of the property used or occupied; and

(B) each part of the property not used or occupied;

for one (1) or more exempt purposes under IC 6-1.1-10 during the time the property is used or occupied.

(6) Any additional information which the department of local government finance may require.

(d) A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

(e) An owner must file with an application for exemption of real property under subsection (a) or section 5 of this chapter a copy of the township assessor's record kept under IC 6-1.1-4-25(a) that shows the calculation of the assessed value of the real property for the assessment date for which the exemption is claimed. Upon receipt of the exemption application, the county assessor shall examine that record and determine if the real property for which the exemption is claimed is properly assessed. If the county assessor determines that the real property is not properly assessed, the county assessor shall direct the township assessor of the township in which the real property is located to:

(1) properly assess the real property; and

(2) notify the county assessor and county auditor of the proper assessment.

(f) If the county assessor determines that the applicant has not filed with an application for exemption a copy of the record referred to in subsection (e), the county assessor shall notify the applicant in writing of that requirement. The applicant then has thirty (30) days after the date of the notice to comply with that requirement. The county property tax assessment board of appeals shall deny an application described in this subsection if the applicant does not comply with that requirement within the time permitted under this subsection.

(g) This subsection applies whenever a law requires an exemption to be claimed on or in an application accompanying a personal property tax return. The claim or application may be filed on or with a personal property tax return not more than thirty (30) days after the filing date for the personal property tax return, regardless of whether an extension of the filing date has been granted under IC 6-1.1-3-7.

SECTION 10. IC 6-1.1-11-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 3.5. (a) A not-for-profit corporation that seeks an exemption provided by IC 6-1.1-10 for 2000 or for a year that follows 2000 by a multiple of two (2) years must file an application for the exemption in that year. However, if a not-for-profit corporation seeks an exemption provided by IC 6-1.1-10 for a year not specified in this subsection and the corporation did not receive the exemption for the preceding year, the corporation must file an application for the exemption in the year for which the exemption is sought. The not-for-profit corporation must file each exemption application in the manner (other than the requirement for filing annually) prescribed in section 3 of this chapter.

(b) A not-for-profit corporation that receives an exemption provided under IC 6-1.1-10 for a particular year that remains eligible for the exemption for the following year is only required to file a statement to apply for the exemption in the years specified in subsection (a), if the use of the not-for-profit corporation's property remains unchanged.

(c) A not-for-profit corporation that receives an exemption provided under IC 6-1.1-10 for a particular year which becomes ineligible for the exemption for the following year shall notify the assessor of the county in which the tangible property for which it claims the exemption is located of its ineligibility ~~on or~~ before ~~May 15~~ **August 1** of the year for which it becomes ineligible. If a not-for-profit corporation that is receiving an exemption provided under IC 6-1.1-10 changes the use of its tangible property so that part or all of that property no longer qualifies for the exemption, the not-for-profit corporation shall notify the assessor of the county in which the tangible property for which it claims the exemption is located of its ineligibility ~~on or~~ before ~~May 15~~ **August 1** of the year for which it first becomes ineligible. The county assessor shall immediately notify the county auditor of the not-for-profit corporation's ineligibility or disqualification for the exemption. A not-for-profit corporation that fails to provide the notification required by this subsection is subject to the penalties set forth in IC 6-1.1-37-9.

(d) For each year that is not a year specified in subsection (a), the auditor of each county shall apply an exemption provided under IC 6-1.1-10 to the tangible property owned by a not-for-profit corporation that received the exemption in the preceding year unless the county property tax assessment board of appeals determines that

the not-for-profit corporation is no longer eligible for the exemption.

(e) The department of local government finance may at any time review an exemption provided under this section and determine whether or not the not-for-profit corporation is eligible for the exemption.".

Page 5, line 27, strike "twelve (12)" and insert "**fifteen (15)**".

Page 5, line 28, delete "June 11" and insert "~~11~~ **August 1**".

Page 6, line 37, strike "twelve (12)" and insert "**fifteen (15)**".

Page 6, line 37, delete "June 11" and insert "~~11~~ **August 1**".

Page 7, line 20, strike "twelve (12)" and insert "**fifteen (15)**".

Page 7, line 21, delete "June 11" and insert "~~11~~ **August 1**".

Page 8, line 19, strike "twelve (12)" and insert "**fifteen (15)**".

Page 8, line 20, delete "June 11" and insert "~~11~~ **August 1**".

Page 9, line 4, strike "twelve (12)" and insert "**fifteen (15)**".

Page 9, line 4, delete "June 11" and insert "~~11~~ **August 1**".

Page 9, line 41, strike "twelve (12)" and insert "**fifteen (15)**".

Page 9, line 41, delete "June 11" and insert "~~11~~ **August 1**".

Page 10, line 26, strike "twelve (12)" and insert "**fifteen (15)**".

Page 10, line 27, delete "June 11" and insert "~~11~~ **August 1**".

Page 11, line 19, delete "June 10" and insert "~~10~~ **August 1**".

Page 11, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 15. IC 6-1.1-12-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 20. (a) A property owner who desires to obtain the deduction provided by section 18 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the rehabilitated property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b), the application must be filed before ~~May 10~~ **August 1** of the year in which the addition to assessed value is made.

(b) If notice of the addition to assessed value for any year is not given to the property owner before ~~April 10~~ **July 16** of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The application required by this section shall contain the following information:

(1) a description of the property for which a deduction is claimed in sufficient detail to afford identification;

(2) statements of the ownership of the property;

(3) the assessed value of the improvements on the property before rehabilitation;

(4) the number of dwelling units on the property;

(5) the number of dwelling units rehabilitated;

(6) the increase in assessed value resulting from the rehabilitation; and

(7) the amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the increase in assessed value occurs and for the immediately following four (4) years without any additional application being filed.

(e) On verification of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction.

SECTION 16. IC 6-1.1-12-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 24. (a) A property owner who desires to obtain the deduction provided by section 22 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b), the application must be filed before ~~May 10~~ **August 1** of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation for any year is not given to the property owner before ~~April 10~~ **July 1** of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The application required by this section shall contain the following information:

(1) the name of the property owner;

(2) a description of the property for which a deduction is claimed in sufficient detail to afford identification;

(3) the assessed value of the improvements on the property before rehabilitation;

(4) the increase in the assessed value of improvements resulting from the rehabilitation; and

(5) the amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the addition to assessed value is made and in the immediate following four (4) years without any additional application being filed.

(e) On verification of the correctness of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction.

SECTION 17. IC 6-1.1-12-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 30. Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 29 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property or mobile home is subject to assessment. With respect to real property, the person must file the statement between March 1 and ~~May 10~~ **August 1,** inclusive, of each year for which the person desires to obtain the deduction. With respect to a mobile home which is not assessed as real property, the person must file the statement between January 15 and March 31, inclusive, of each year for which the person desires to obtain the deduction. On verification of the statement by the assessor of the township in which the real property or mobile home is subject to assessment, the county auditor shall allow the deduction.

SECTION 18. IC 6-1.1-12-35.5, AS AMENDED BY P.L.214-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 35.5. (a) Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 31, 33, 34, or 34.5 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, and proof of certification under subsection (b) or (f) with the auditor of the county in which the property for which the deduction is claimed is subject to assessment. Except as provided in subsection (e), with respect to property that is not assessed under IC 6-1.1-7, the person must file the statement between March 1 and ~~May 10~~ **August 1,** inclusive, of the assessment year. The person must file the statement in each year for which the person desires to obtain the deduction. With respect to a property which is assessed under IC 6-1.1-7, the person must file the statement between January 15 and March 31, inclusive, of each year for which the person desires to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the assessor of the township in which the property for which the deduction is claimed is subject to assessment, the county auditor shall allow the deduction.

(b) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. The department of environmental management, upon application by a property owner, shall determine whether a system or device qualifies for a deduction provided by section 31, 33, or 34 of this chapter. If the department determines that a system or device qualifies for a deduction, it shall certify the system or device and provide proof of the certification to the property owner. The department shall prescribe the form and manner of the certification process required by this subsection.

(c) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. If the department of environmental management receives an application for certification before ~~April 10~~ **July 1** of the assessment year, the department shall determine whether the system or device qualifies for a deduction before ~~May 10~~ **August 1** of the assessment year. If the department fails to make a determination under this subsection before ~~May 10~~ **August 1** of the assessment year, the system or device is considered certified.

(d) A denial of a deduction claimed under section 31, 33, 34, or

34.5 of this chapter may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the township assessor, county property tax assessment board of appeals, or department of local government finance.

(e) A person who timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year and who desires to claim the deduction provided in section 31 of this chapter for property that is not assessed under IC 6-1.1-7 must file the statement described in subsection (a) between March 1 and ~~May 15~~ **August 1,** inclusive, of that year. A person who obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and the extended due date for that year.

(f) This subsection applies only to an application for a deduction under section 34.5 of this chapter. The center for coal technology research established by IC 4-4-30-5, upon receiving an application from the owner of a building, shall determine whether the building qualifies for a deduction under section 34.5 of this chapter. If the center determines that a building qualifies for a deduction, the center shall certify the building and provide proof of the certification to the owner of the building. The center shall prescribe the form and procedure for certification of buildings under this subsection. If the center receives an application for certification of a building under section 34.5 of this chapter before ~~April 10~~ **July 1** of an assessment year:

(1) the center shall determine whether the building qualifies for a deduction before ~~May 10~~ **August 1** of the assessment year; and

(2) if the center fails to make a determination before ~~May 10~~ **August 1** of the assessment year, the building is considered certified.

SECTION 19. IC 6-1.1-12-38 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 38. (a) A person is entitled to a deduction from the assessed value of the person's property in an amount equal to the difference between:

(1) the assessed value of the person's property, including the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11; minus

(2) the assessed value of the person's property, excluding the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11.

(b) To obtain the deduction under this section, a person must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is subject to assessment. In addition to the certified statement, the person must file a certification by the state chemist listing the improvements that were made to comply with the fertilizer storage rules adopted under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11. The statement and certification must be filed before ~~May 10~~ **August 1** of the year preceding the year the deduction will first be applied. Upon the verification of the statement and certification by the assessor of the township in which the property is subject to assessment, the county auditor shall allow the deduction.".

Page 11, line 38, delete "[EFFECTIVE JULY 1, 2006]:" and insert "[EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:".

Page 17, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 16. IC 6-1.1-12.1-5, AS AMENDED BY P.L.193-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 5. (a) A property owner who desires to obtain the deduction provided by section 3 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before ~~May 10~~ **August 1** of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before ~~April 10~~ **July 1** of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The deduction application required by this section must contain the following information:

(1) The name of the property owner.

(2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.

(3) The assessed value of the improvements before rehabilitation.

(4) The increase in the assessed value of improvements resulting from the rehabilitation.

(5) The assessed value of the new structure in the case of redevelopment.

(6) The amount of the deduction claimed for the first year of the deduction.

(7) If the deduction application is for a deduction in a residentially distressed area, the assessed value of the improvement or new structure for which the deduction is claimed.

(d) A deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of a new structure is made and in the following years the deduction is allowed without any additional deduction application being filed. However, property owners who had an area designated an urban development area pursuant to a deduction application filed prior to January 1, 1979, are only entitled to a deduction for a five (5) year period. In addition, property owners who are entitled to a deduction under this chapter pursuant to a deduction application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for a ten (10) year period.

(e) A property owner who desires to obtain the deduction provided by section 3 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and ~~May 10~~ **August 1** of a subsequent year which shall be applicable for the year filed and the subsequent years without any additional deduction application being filed for the amounts of the deduction which would be applicable to such years pursuant to section 4 of this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) Subject to subsection (i), the county auditor shall act as follows:

(1) If a determination about the number of years the deduction is allowed has been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall make the appropriate deduction.

(2) If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.

(3) If the deduction application is for rehabilitation or redevelopment in a residentially distressed area, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 3 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) continues to use the property in compliance with any standards established under section 2(g) of this chapter; and

(2) files an application in the manner provided by subsection (e).

(h) The township assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

(i) Before the county auditor acts under subsection (f), the county auditor may request that the township assessor of the township in which the property is located review the deduction application.

(j) A property owner may appeal a determination of the county

auditor under subsection (f) to deny or alter the amount of the deduction by requesting in writing a preliminary conference with the county auditor not more than forty-five (45) days after the county auditor gives the person notice of the determination. An appeal initiated under this subsection is processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

SECTION 17. IC 6-1.1-12.1-5.1, AS AMENDED BY P.L.193-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 5.1. (a) This subsection applies to:

(1) all deductions under section 3 of this chapter for property located in a residentially distressed area; and

(2) any other deductions for which a statement of benefits was approved under section 3 of this chapter before July 1, 1991.

In addition to the requirements of section 5(c) of this chapter, a deduction application filed under section 5 of this chapter must contain information showing the extent to which there has been compliance with the statement of benefits approved under section 3 of this chapter. Failure to comply with a statement of benefits approved before July 1, 1991, may not be a basis for rejecting a deduction application.

(b) This subsection applies to each deduction (other than a deduction for property located in a residentially distressed area) for which a statement of benefits was approved under section 3 of this chapter after June 30, 1991. In addition to the requirements of section 5(c) of this chapter, a property owner who files a deduction application under section 5 of this chapter must provide the county auditor and the designating body with information showing the extent to which there has been compliance with the statement of benefits approved under section 3 of this chapter. This information must be included in the deduction application and must also be updated each year in which the deduction is applicable at the same time that the property owner is required to file a personal property tax return in the taxing district in which the property for which the deduction was granted is located. If the taxpayer does not file a personal property tax return in the taxing district in which the property is located, the information must be provided before ~~May 15~~ **August 1.**

(c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following information is a public record if filed under this section:

(1) The name and address of the taxpayer.

(2) The location and description of the property for which the deduction was granted.

(3) Any information concerning the number of employees at the property for which the deduction was granted, including estimated totals that were provided as part of the statement of benefits.

(4) Any information concerning the total of the salaries paid to those employees, including estimated totals that were provided as part of the statement of benefits.

(5) Any information concerning the assessed value of the property, including estimates that were provided as part of the statement of benefits.

(d) The following information is confidential if filed under this section:

(1) Any information concerning the specific salaries paid to individual employees by the property owner.

(2) Any information concerning the cost of the property.

SECTION 18. IC 6-1.1-12.1-9.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 9.5. (a) As used in this section, "clerical error" includes mathematical errors and omitted signatures.**

(b) Except as provided in section 9 of this chapter, the designating body may by resolution waive noncompliance with the following requirements in this chapter with respect to a particular deduction under this chapter:

(1) a filing deadline applicable to an application, a statement of benefits, or another document that is required to be filed under this chapter; or

(2) a clerical error in an application, a statement of benefits, or another document that is required to be filed under this chapter;

if the taxpayer otherwise qualifies for the deduction and the document is filed or the clerical error is corrected before the resolution is adopted. The resolution must specifically identify the property, deductions, and taxpayer that are effected by the resolution, specifically identify the noncompliance that is the subject of the resolution, and include a finding that the noncompliance has been corrected before the adoption of the resolution.

(c) The designating body shall certify a copy of a resolution adopted under this section to the taxpayer and the department of local government finance.

(d) If a noncompliance with this chapter has been corrected and a resolution is adopted under this section, the taxpayer shall be treated as if the taxpayer had complied with the procedural requirements of this chapter. However, if the designating body determines that granting the relief permitted by this section would result in a delay in the issuance of tax bills, require the recalculation of tax rates or tax levies for a particular year, or otherwise cause an undue burden on a taxing unit, the designating body may require that the deduction that the taxpayer would be entitled to receive for a particular year be applied to a subsequent year in the manner prescribed by the department of local government finance.

SECTION 19. IC 6-1.1-12.4-3, AS ADDED BY P.L.193-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 3. (a) For purposes of this section, an increase in the assessed value of personal property is determined in the same manner that an increase in the assessed value of new manufacturing equipment is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to personal property that the owner purchases after March 1, 2005, and before March 2, 2009. Except as provided in sections 4, 5, and 8 of this chapter, an owner that purchases personal property other than inventory (as defined in 50 IAC 4.2-5-1, as in effect on January 1, 2005) that:

(1) was never before used by its owner for any purpose in Indiana; and

(2) creates or retains employment;

is entitled to a deduction from the assessed value of the personal property.

(c) The deduction under this section is first available in the year in which the increase in assessed value resulting from the purchase of the personal property occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to personal property located in a county for a particular year equals the lesser of:

(1) two million dollars ($2,000,000); or

(2) the product of:

(A) the increase in assessed value resulting from the purchase of the personal property; multiplied by

(B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) If an appeal of an assessment is approved that results in a reduction of the assessed value of the personal property, the amount of the deduction is adjusted to reflect the percentage decrease that results from the appeal.

(e) A property owner must claim the deduction under this section on the owner's annual personal property tax return. The township assessor shall:

(1) identify the personal property eligible for the deduction to the county auditor; and

(2) inform the county auditor of the deduction amount.

(f) The county auditor shall:

(1) make the deductions; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(g) The deduction under this section does not apply to personal property at a facility listed in IC 6-1.1-12.1-3(e).

SECTION 20. IC 6-1.1-12.5 IS ADDED TO THE INDIANA

CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]:

Chapter 12.5. Assessment Phase-in Deduction

Sec. 1. For purposes of this chapter:

(1) "enlarge" means to add floor area;

(2) "rehabilitate" means to remodel, repair, or improve in any manner; and

(3) "residential property" means real property improvements assessed as residential property under the rules of the department of local government finance.

Sec. 2. (a) Subject to subsection (d) and section 3 of this chapter, a taxpayer that:

(1) rehabilitates; or

(2) enlarges;

residential property for which the taxpayer is liable for property taxes is entitled to a deduction from the assessed value of the residential property.

(b) A deduction under this section is available in:

(1) the year in which the rehabilitation or enlargement of the residential property results in an increased assessed value of the residential property; and

(2) the immediately succeeding two (2) years.

(c) The amount of the deduction that a taxpayer may receive for:

(1) the year referred to in subsection (b)(1) equals the product of:

(A) the increased assessed value for that year resulting from the rehabilitation or enlargement of the residential property; multiplied by

(B) seventy-five percent (75%);

(2) the first year referred to in subsection (b)(2) equals the product of:

(A) the increased assessed value of the residential property determined under subdivision (1)(A) as adjusted under:

(i) IC 6-1.1-4-4; or

(ii) IC 6-1.1-4-4.5; multiplied by

(B) fifty percent (50%); and

(3) the second year referred to in subsection (b)(2) equals the product of:

(A) the increased assessed value of the residential property determined under subdivision (1)(A) as adjusted under:

(i) IC 6-1.1-4-4;

(ii) IC 6-1.1-4-4.5; or

(iii) both IC 6-1.1-4-4 and IC 6-1.1-4-4.5; multiplied by

(B) twenty-five percent (25%).

(d) A property owner that qualifies for a deduction for a year under:

(1) this section; and

(2) another statute;

based on the same rehabilitation or enlargement of a residential property may not receive a deduction for that rehabilitation or enlargement of the property under both statutes for that year.

(e) A taxpayer that desires to claim a deduction under this section must file a statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the residential property is located. The statement must be filed during the twelve (12) months before May 11 of each year for which the taxpayer wishes to obtain the deduction. A statement under this subsection may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

Sec. 3. If ownership of the residential property changes:

(1) the deduction provided under this chapter continues to apply to the residential property; and

(2) the amount of the deduction is:

(A) the percentage under section 2(c)(1)(B), 2(c)(2)(B), or 2(c)(3)(B) of this chapter that would have applied if the ownership of the residential property had not changed; multiplied by

(B) the assessed value of the residential property, as determined and adjusted under section 2 of this chapter, for the year the new owner is entitled to the deduction.

Sec. 4. The department of local government finance shall adopt rules under IC 4-22-2 to implement this chapter.".

Page 22, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 20. IC 6-1.1-17-0.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) For purposes of this section, "assessed value" has the meaning set forth in IC 6-1.1-1-3(a).

(b) The county auditor may exclude and keep separate on the tax duplicate for taxes payable in a calendar year the assessed value of tangible property that meets the following conditions:

(1) The assessed value of the property is at least nine percent (9%) of the assessed value of all tangible property subject to taxation by a taxing unit. ~~(as defined in IC 6-1.1-1-21).~~

(2) The property is or has been part of a bankruptcy estate that is subject to protection under the federal bankruptcy code.

(3) The owner of the property has discontinued all business operations on the property.

(4) There is a high probability that the taxpayer will not pay property taxes due on the property in the following year.

(c) This section does not limit, restrict, or reduce in any way the property tax liability on the property.

(d) For each taxing unit located in the county, the county auditor may reduce for a calendar year the taxing unit's assessed value that is certified to the department of local government finance under section 1 of this chapter and used to set tax rates for the taxing unit for taxes first due and payable in the immediately succeeding calendar year. The county auditor may reduce a taxing unit's assessed value under this subsection only to enable the taxing unit to absorb the effects of reduced property tax collections in the immediately succeeding calendar year that are expected to result from successful appeals of the assessed value of property located in the taxing unit. The county auditor shall keep separately on the tax duplicate the amount of any reductions made under this subsection. The maximum amount of the reduction authorized under this subsection is determined under subsection (e).

(e) The amount of the reduction in a taxing unit's assessed value for a calendar year under subsection (d) may not exceed the lesser of:

(1) two percent (2%) of the assessed value of tangible property subject to assessment in the taxing unit in that calendar year; or

(2) the total amount of reductions in the assessed value of tangible property subject to assessment in the taxing unit that:

(A) applied for the assessment date in the immediately preceding year; and

(B) resulted from successful appeals of the assessed value of the property.

(f) The amount of a reduction under subsection (d) may not be offered in a proceeding before the:

(1) county property tax assessment board of appeals;

(2) Indiana board; or

(3) Indiana tax court;

as evidence that a particular parcel has been improperly assessed.".

Page 22, line 41, strike "and".

Page 22, between lines 41 and 42, begin a new line block indented and insert:

"**(5) the amount of the political subdivision's assessed valuation reduction determined under section 0.5(d) of this chapter; and**".

Page 22, line 42, strike "(5)" and insert "**(6)**".

Page 24, delete lines 8 through 42, begin a new paragraph and insert:

"SECTION 21. IC 6-1.1-17-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.5. (a) If a county auditor reduces a taxing unit's assessed valuation under section 0.5(d) of this chapter, the department of local government finance shall, in the manner prescribed in section 16 of this chapter, review the budget, tax rate, and tax levy of the taxing unit.**

(b) The county auditor may appeal to the department of local government finance to reduce a taxing unit's assessed valuation by an amount that exceeds the limits set forth in section 0.5(e) of this chapter. The department of local government finance:

(1) may require the county auditor to submit supporting information with the county auditor's appeal;

(2) shall consider the appeal at the time of the review required by subsection (a); and

(3) may approve, modify and approve, or reject the amount of the reduction sought in the appeal.".

Page 25, delete lines 1 through 38.

Page 28, between lines 28 and 29, begin a new paragraph and insert:

"**(l) The department of local government finance may not certify a taxing unit's budget, tax rate, or tax levy if the department of local government finance determines that the county auditor has reduced the taxing unit's assessed valuation by more than the amount authorized under section 0.5(e) or 8.5(b) of this chapter.**".

Page 28, line 42, after "the" insert "**greater of the:**

(1) civil taxing unit's maximum permissible ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined under section 3 of this chapter; or

(2)".

Page 29, line 6, after "for" reset in roman "the".

Page 29, line 6, delete "any".

Page 29, line 7, reset in roman "immediately preceding".

Page 29, line 7, delete "after 2003 that precedes".

Page 29, delete lines 15 through 25.

Page 29, delete lines 32 through 42, begin a new paragraph and insert:

"SECTION 24. IC 6-1.1-18.5-13, AS AMENDED BY P.L.73-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the local government tax control board the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons.

(2) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's share of the costs of operating a court for the first full calendar year in which it is in existence.

(3) Permission to the civil taxing unit to increase its levy **percentage** in excess of the ~~limitations established~~ **levy increase percentage determined** under section 3 of this chapter ~~if the local government tax control board finds that the quotient~~ **by the percentage** determined under STEP ~~SIX~~ **TWELVE** of the following formula: ~~is equal to or greater than one and three-hundredths (1.03).~~

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of:

(A) the ~~sum of the~~ civil taxing unit's total assessed value of all taxable property ~~and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42~~ in the particular calendar year, **as adjusted to eliminate the effects of the enactment of laws or rules that provide for a type or amount of an assessment, a deduction or an exemption in the year that was not available in the immediately preceding calendar year;** divided by

(B) the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year, **as adjusted to eliminate the effects of the enactment of laws or rules that provide for a type or amount of an assessment, a deduction, or an exemption in the year that is not available in the current calendar year.**

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of:

(A) the ~~sum of the~~ total assessed value of all taxable property in all counties ~~and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42~~ in the particular calendar year, **as adjusted to eliminate the effects of the enactment of laws or rules that provide for a type or amount of an assessment, a deduction, or an exemption in the year that was not available in the immediately preceding calendar year;** divided by

(B) the ~~sum of the~~ total assessed value of all taxable property in all counties ~~and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42~~ in the calendar year immediately preceding the particular calendar year, **as adjusted to eliminate the effects of the enactment of laws or rules that provide for a type or amount of an assessment, a deduction, or an exemption in the year that is not available in the current calendar year.**

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount. ~~The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds~~

STEP SEVEN: Determine the result of:

(A) the STEP SIX result; minus

(B) the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

STEP EIGHT: Determine the greater of zero (0) or the STEP SEVEN amount.

STEP NINE: Determine the total ad valorem property tax rate certified for the civil taxing unit in the year immediately preceding the particular calendar year.

STEP TEN: Determine the average total ad valorem property tax rate for all similar civil taxing units of the same type and class in the year immediately preceding the particular calendar year.

STEP ELEVEN: Determine the result of:

(A) the STEP NINE result; divided by

(B) the STEP TEN result.

STEP TWELVE: Determine the result of:

(A) the STEP EIGHT result; multiplied by

(B) the following:

(i) One (1), if the STEP ELEVEN result is not greater than one (1).

(ii) Five tenths (0.5) if the STEP ELEVEN result is greater than one (1).

(4) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this

chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars ($10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents ($0.0167) per one hundred dollars ($100) of assessed valuation; and

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents ($0.0167) per one hundred dollars ($100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars ($100) of assessed valuation before the increase.

(7) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent ($0.01) per one hundred dollars ($100) of assessed valuation.

(8) Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents ($0.0667) for each one hundred dollars ($100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

(i) was issued by a federal district court; and

(ii) has not been terminated;

(C) that operates a county jail that fails to meet:

(i) American Correctional Association Jail Construction Standards; and

(ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs

of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

(11) Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

SECTION 25. IC 6-1.1-18.5-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 17. (a) As used in this section, "levy excess" means the part of the ad valorem property tax levy actually collected by a civil taxing unit, for taxes first due and payable during a particular calendar year, that exceeds the civil taxing unit's ad valorem property tax levy, as approved by the department of local government finance under IC 6-1.1-17. **The term does not include delinquent ad valorem property taxes collected during a particular year that were assessed for an assessment date that precedes the assessment date for the current year in which the ad valorem property taxes are collected.**

(b) A civil taxing unit's levy excess is valid and may not be contested on the grounds that it exceeds the civil taxing unit's levy limit for the applicable calendar year. However, the civil taxing unit shall deposit, except as provided in subsection (h), its levy excess in a special fund to be known as the civil taxing unit's levy excess fund.

(c) The chief fiscal officer of a civil taxing unit may invest money in the civil taxing unit's levy excess fund in the same manner in which money in the civil taxing unit's general fund may be invested. However, any income derived from investment of the money shall be deposited in and becomes a part of the levy excess fund.

(d) The department of local government finance shall require a civil taxing unit to include the amount in its levy excess fund in the civil taxing unit's budget fixed under IC 6-1.1-17.

(e) Except as provided by subsection (f), a civil taxing unit may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the ad valorem property tax levy limits imposed under this chapter, a civil taxing unit shall treat the money in its levy excess fund that the department of local government finance permits it to spend during a particular calendar year as part of its ad valorem property tax levy for that same calendar year.

(f) A civil taxing unit may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the civil taxing unit as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a civil taxing unit may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would, notwithstanding this subsection, be deposited in the levy excess fund of a civil taxing unit for a particular calendar year is less than one hundred dollars ($100), no money shall be deposited in the levy excess fund of the unit for that year.

SECTION 26. IC 6-1.1-19-1.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 1.7. (a) As used in this section, "levy excess" means that portion of the ad valorem property tax levy actually collected by a school corporation, for taxes first due and payable during a particular calendar year, which exceeds the school corporation's total levy, as approved by the department of local government finance under IC 6-1.1-17, for those property taxes. **The term does not include delinquent ad valorem property taxes collected during a particular year that were assessed for an assessment date that precedes the assessment date for the current year in which the ad valorem property taxes are collected.**

(b) A school corporation's levy excess is valid, and the general fund portion of a school corporation's levy excess may not be contested on the grounds that it exceeds the school corporation's general fund levy limit for the applicable calendar year. However, the school corporation shall deposit, except as provided in subsection (h), its levy excess in a special fund to be known as the school corporation's levy excess fund.

(c) The chief fiscal officer of a school corporation may invest money in the school corporation's levy excess fund in the same manner in which money in the school corporation's general fund may be invested. However, any income derived from investment of the money shall be deposited in and become a part of the levy excess fund.

(d) The department of local government finance shall require a school corporation to include the amount in the school corporation's levy excess fund in the school corporation's budget fixed under IC 6-1.1-17.

(e) Except as provided in subsection (f), a school corporation may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the ad valorem property tax levy limits fixed under this chapter, a school corporation shall treat the money in its levy excess fund that the department of local government finance permits the school corporation to spend during a particular calendar year as part of the school corporation's ad valorem property tax levy for that same calendar year.

(f) A school corporation may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the school corporation as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a school corporation may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would be deposited in the levy excess fund of a school corporation for a particular calendar year is less than one hundred dollars ($100), no money shall be deposited in the levy excess fund of the school corporation for that year.

SECTION 27. IC 6-1.1-20.8-2.5, AS AMENDED BY P.L.4-2005, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 2.5. (a) A person that desires to claim the credit provided by section 1 of this chapter shall file a certified application, on forms prescribed by the department of local government finance, with the auditor of the county where the property for which the credit is claimed was located

on the assessment date. A person that timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year must file the application between March 1 and ~~May 15~~ **August 1** of that year in order to obtain the credit in the following year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and the extended due date for that year in order to obtain the credit in the following year.

(b) A taxpayer shall include on an application filed under this section all information that the department of local government finance requires to determine eligibility for the credit provided under this chapter.

(c) Compliance with this chapter does not exempt a person from compliance with IC 5-28-15-7.".

Delete page 30.

Page 31, delete lines 1 through 27, begin a new paragraph and insert:

"SECTION 28. IC 6-1.1-20.9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter:

(1) "Dwelling" means any of the following:

(A) Residential real property improvements which an individual uses as ~~his~~ **the individual's** residence, including a house or garage.

(B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.

(C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

(D) Partially completed residential real property improvements, as defined by the department of local government finance, that an individual intends to use as the individual's residence, including a house or garage.

(2) "Homestead" means an individual's principal place of residence, **or in the case of a dwelling (as described in subdivision (1)(D)) property that the individual intends to be the individual's principal place of residence,** which:

(A) is located in Indiana;

(B) the individual either owns or is buying under a contract, recorded in the county recorder's office, that provides that he is to pay the property taxes on the residence; and

(C) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 29. IC 6-1.1-20.9-2, AS AMENDED BY P.L.246-2005, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay the property taxes on the homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

(b) **Except as provided in subsection (h),** the amount of the credit to which the individual is entitled equals the product of:

(1) the percentage prescribed in subsection (d); multiplied by

(2) the amount of the individual's property tax liability, as that term is defined in IC 6-1.1-21-5, which is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of the property tax replacement credit under IC 6-1.1-21.

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 and thereafter	20%

However, the property tax replacement fund board established under IC 6-1.1-21-10 shall increase the percentage of the credit provided in the schedule for any year if the budget agency determines that an increase is necessary to provide the minimum tax relief authorized under IC 6-1.1-21-2.5. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board must increase the percentage of the credit provided in the schedule for that particular year. However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

(1) an individual uses the residence as the individual's principal place of residence;

(2) the residence is located in Indiana;

(3) the individual has a beneficial interest in the taxpayer;

(4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and

(5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

(h) With respect to a partially completed dwelling (as described in section 1(1)(d) of this chapter), the amount of the credit to which the individual is entitled is equal to the result of STEP THREE of the following formula:

STEP ONE: For the twelve (12) months preceding the assessment date on which the partially completed dwelling was reassessed, determine the number of months that followed the later of the following:

(A) The date on which construction of the partially completed dwelling began.

(B) The date on which the partially completed dwelling was transferred to the individual claiming the homestead credit.

STEP TWO: Determine the result of:

(A) the STEP ONE result; divided by

(B) twelve (12).

STEP THREE: Determine the product of:

(A) the amount the individual would be entitled to under subsection (b); multiplied by

(B) the STEP TWO amount.".

Page 31, line 35, delete "With" and insert "**Except as provided in subsection (e),** with".

Page 31, line 36, strike "twelve (12)" and insert "**fifteen (15)**".

Page 31, line 37, delete "June 11" and insert "~~11~~ **August 1**".

Page 32, between lines 28 and 29, begin a new paragraph and insert:

"**(e) With respect to a partially completed dwelling (as described in section 1(1)(d) of this chapter), the certified statement referred to in subsection (a) must be filed before the later of the following:**

(1) June 11 of the year before the first year for which the person wishes to obtain the credit for the homestead.

(2) A date in the year before the first year for which the person wishes to obtain the credit for the homestead that is not later than sixty (60) days after the date the assessing official notifies the taxpayer that the taxpayer's homestead has been reassessed to reflect the improvements being made

to the homestead.".

Page 32, delete lines 29 through 42.

Delete pages 33 through 34.

Page 35, delete lines 1 through 34.

Page 38, line 10, delete "For purposes of this section, a" and insert "A".

Page 38, strike lines 24 through 26.

Page 38, line 27, delete "Subject to subsection (c), the" and insert "~~The~~".

Page 38, line 27, strike "remainder of the taxes collected on the".

Page 38, strike lines 28 through 29.

Page 38, line 30, delete "(c)" and insert "**(b)**".

Page 38, line 34, delete "net".

Page 38, line 36, delete "." and insert "**after deducting the amount of any property tax credits that reduce the owner's property tax liability for the undervalued or omitted property.**".

Page 38, line 38, after "fund" insert "**without appropriation**".

Page 39, line 3, delete "(c) (d)" and insert "(c)".

Page 41, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 33. IC 6-1.1-39-5, AS AMENDED BY P.L.4-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the economic development district that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory ordinance is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Notwithstanding any other law, each assessor shall, upon petition of the fiscal body, reassess the taxable property situated upon or in, or added to, the economic development district effective on the next assessment date after the petition.

(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement (except as provided in IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)), and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(f) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1.

(g) As used in this section, "property taxes" means:

(1) taxes imposed under this article on real property; and

(2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (f); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.".

Page 42, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 34. IC 6-1.1-42-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 27. (a) A property owner who desires to obtain the deduction provided by section 24 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before ~~May 10~~ **August 1** of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before ~~April 10~~ **July 1** of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on

the records of the township assessor.

(c) The certified deduction application required by this section must contain the following information:

(1) The name of each owner of the property.

(2) A certificate of completion of a voluntary remediation under IC 13-25-5-16.

(3) Proof that each owner who is applying for the deduction:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

(4) Proof that the deduction was approved by the appropriate designating body.

(5) A description of the property for which a deduction is claimed in sufficient detail to afford identification.

(6) The assessed value of the improvements before remediation and redevelopment.

(7) The increase in the assessed value of improvements resulting from remediation and redevelopment.

(8) The amount of the deduction claimed for the first year of the deduction.

(d) A certified deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of property is made and each subsequent year to which the deduction applies under the resolution adopted under section 24 of this chapter.

(e) A property owner who desires to obtain the deduction provided by section 24 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and ~~May 10~~ **August 1** of a subsequent year which is applicable for the year filed and the subsequent years without any additional certified deduction application being filed for the amounts of the deduction which would be applicable to such years under this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) On verification of the correctness of a certified deduction application by the assessor of the township in which the property is located, the county auditor shall, if the property is covered by a resolution adopted under section 24 of this chapter, make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 24 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) is a person that:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management;

(2) continues to use the property in compliance with any standards established under sections 7 and 23 of this chapter; and

(3) files an application in the manner provided by subsection (e).

(h) The township assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.".

Page 44, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 38. IC 8-22-3.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 11. (a) The state board of accounts and the department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department consider appropriate for the implementation of this chapter.

(b) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

(c) After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

SECTION 39. IC 21-2-21-1.8, AS ADDED BY P.L.214-2005, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.8. (a) For purposes of this section, "retirement or severance liability" means the payments anticipated to be required to be made to employees of a school corporation upon or after termination of the employment of the employees by the school corporation under an existing or previous employment agreement.

(b) This section applies to each school corporation that:

(1) did not issue bonds under IC 20-5-4-1.7 before its repeal; or

(2) issued bonds under IC 20-5-4-1.7:

(A) before April 14, 2003; **or**

(B) after April 13, 2003, if an order approving the issuance of the bonds was issued by the department of local government finance before April 14, 2003.

(c) In addition to the purposes set forth in section 1 of this chapter, a school corporation described in subsection (b) may issue bonds to implement solutions to contractual retirement or severance liability. The issuance of bonds for this purpose is subject to the following conditions:

(1) The school corporation may issue bonds under this section only one (1) time.

(2) ~~The~~ **A** school corporation **described in subsection (b)(1) or (b)(2)(A)** must issue the bonds before July 1, 2006. **A school corporation described in subsection (b)(2)(B) must file a petition with the department of local government finance under IC 6-1.1-19-8 requesting approval to incur bond indebtedness under this section before July 1, 2006.**

(3) The solution to which the bonds are contributing must be reasonably expected to reduce the school corporation's unfunded contractual liability for retirement or severance payments as it existed on June 30, 2001.

(4) The amount of the bonds that may be issued for the purpose described in this section may not exceed:

(A) two percent (2%) of the true tax value of property in the school corporation, for a school corporation that did not issue bonds under IC 20-5-4-1.7 before its repeal; or

(B) the remainder of:

(i) two percent (2%) of the true tax value of property in the school corporation as of the date that the school corporation issued bonds under IC 20-5-4-1.7; minus

(ii) the amount of bonds that the school corporation issued under IC 20-5-4-1.7;

for a school corporation that issued bonds under IC 20-5-4-1.7 ~~before April 14, 2003.~~ **as described in subsection (b)(2).**

(5) Each year that a debt service levy is needed under this section, the school corporation shall reduce the total property tax levy for the school corporation's transportation, school bus replacement, capital projects, or art association and historical society funds in an amount equal to the property tax levy needed for the debt service under this section. The property tax rate for each of these funds shall be reduced each year until the bonds are retired.

(6) The school corporation shall establish a separate debt service fund for repayment of the bonds issued under this section.

(d) Bonds issued for the purpose described in this section shall be issued in the same manner as other bonds of the school corporation.

(e) Bonds issued under this section are not subject to the petition and remonstrance process under IC 6-1.1-20 or to the limitations contained in IC 36-1-15.

SECTION 40. IC 36-7-14-39, AS AMENDED BY P.L.216-2005,

SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements in or serving that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) in or serving that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in or serving that allocation area under any lease entered into under IC 36-1-10.

(I) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax

replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 41. IC 36-7-15.1-26, AS AMENDED BY P.L.216-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the

basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocated area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 42. IC 36-7-15.1-53, AS AMENDED BY P.L.216-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 53. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 40 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A resolution adopted under section 40 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance

with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in

subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 43. IC 36-7-30-25, AS AMENDED BY P.L.4-2005, SECTION 141, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 25. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the part of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the military base reuse district and, when collected, paid into an allocation fund for that allocation area that may be used by the military base reuse district and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the reuse authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base reuse district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 44. IC 36-7-30.5-30, AS ADDED BY P.L.203-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 30. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment to the declaratory resolution, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 16 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the development authority and, when collected, paid into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the development authority or any other entity for the purpose of financing or refinancing military base development or reuse activities in or directly serving or benefitting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefitting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; by

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or benefitting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the development authority.

(3) Except as provided in subsection (g), before July 15 of each year the development authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the appropriate county auditor of the amount, if any, of the amount of excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 24 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the military base development district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base development district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the development authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or for other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation

area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base development district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base development district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce less property tax proceeds allocable to the military base development district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 45. IC 36-7-32-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 19. (a) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department of local government finance consider appropriate for the implementation of an allocation area under this chapter.

(b) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter.**".

Page 47, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 41. [EFFECTIVE MAY 10, 2005 (RETROACTIVE)] **An organization located in a county containing a consolidated city that filed a tax exemption application in 2004 but failed to attend the exemption hearing held by the county property tax assessment board of appeals is entitled to the same percentage of exemption on the organization's property as the organization was granted by the county property tax assessment board of appeals for a tax exemption application filed in 2005.**

SECTION 42. [EFFECTIVE UPON PASSAGE] **(a) The definitions in IC 6-1.1-12.1 apply throughout this SECTION.**

(b) As used in this SECTION, "department" refers to the department of local government finance.

(c) As used in this SECTION, "taxpayer" means a person:

(1) who operates a grey iron foundry located in Grant County;

(2) who applied in 2001 for property tax deductions under IC 6-1.1-12.1 for new manufacturing equipment located in an economic revitalization area; and

(3) whose applications described in subdivision (2) were denied.

(d) References to the Indiana Code in this SECTION refer to the Indiana Code in effect on March 1, 2001, unless otherwise stated.

(e) Notwithstanding any other law, a taxpayer who complies with the requirements of this SECTION is entitled to the property tax deduction for new manufacturing equipment in the amounts and for the number of years provided under IC 6-1.1-12.1-4.5, as determined by the department under subsection (h).

(f) The taxpayer shall provide the department with copies of the taxpayer's:

(1) statement of benefits; and

(2) applications for deductions from assessed value;

for new manufacturing equipment placed in service in an economic revitalization area that the taxpayer filed in 2001.

(g) If there are any deficiencies in the taxpayer's filings described in subsection (f), the department of local government finance shall assist the taxpayer in completing the information necessary to determine:

(1) the assessed value of the new manufacturing equipment; and

(2) the number of years over which the taxpayer is entitled to the deduction under this SECTION.

(h) The department shall determine:

(1) the amount of the assessed value of the new manufacturing equipment;

(2) the number of years over which the taxpayer is entitled to the deduction under this SECTION; and

(3) the percentages used to compute the taxpayer's deductions;

in accordance with IC 6-1.1-12.1-4.5(d) and IC 6-1.1-12.1-4.5(e) as if the taxpayer's applications for deductions had been approved in 2001.

(i) Notwithstanding IC 6-1.1-26 (as in effect on January 1, 2006), when the department has completed the department's determinations under subsection (h), the department shall issue an order to the county auditor of the county in which the economic revitalization area is located:

(1) describing the department's determinations under subsection (h); and

(2) requiring the county auditor to accept the taxpayer's refund claims as if the taxpayer's deduction applications had been approved in 2001.

The department shall provide the taxpayer with a copy of the order issued under this subsection.

(j) Notwithstanding IC 6-1.1-26 (as in effect January 1, 2006), the taxpayer may file refund claims for property taxes paid in previous years that are affected by the department's order issued under subsection (i). The taxpayer must attach a copy of the order issued under subsection (i) to the taxpayer's refund claim.

(k) Notwithstanding IC 6-1.1-26 (as in effect January 1, 2006), the county auditor shall pay the refund claims of the taxpayer filed under subsection (j) if the refund claims are fully consistent with the department's order issued under subsection (i).

SECTION 43. [EFFECTIVE JANUARY 1, 2007] **IC 6-1.1-12.5, as added by this act, applies only to property taxes first due and payable after December 31, 2007.**

SECTION 44. [EFFECTIVE UPON PASSAGE] **(a) IC 6-1.1-20.9-1 and IC 6-1.1-20.9-2, both as amended by this act, apply to property taxes first due and payable after December 31, 2006.**

(b) The department of local government finance may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement this act. A temporary rule adopted under this subsection expires on the earliest of the following:

(1) The date that the department of local government finance adopts another temporary rule under this subsection that repeals, amends, or supersedes the previously adopted temporary rule.

(2) The date that the department of local government finance adopts a permanent rule under IC 4-22-2 that repeals, amends, or supersedes the previously adopted temporary rule.

(3) The date specified in the temporary rule.

(4) December 31, 2008.".

Renumber all SECTIONS consecutively.

(Reference is to SB 260 as reprinted January 24, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 21, nays 0.

ESPICH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred Engrossed Senate Bill 269, has had the same under consideration and begs leave to report the same back to the

House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-23-2.5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 15. (a) The commission has the sole authority to allocate money from the fund to arts providers in Indiana.

(b) Subject to other provisions of this chapter, when there is ~~fifty~~ **one** million dollars ~~($50,000,000)~~ **($1,000,000)** in the fund there is annually appropriated to the commission all interest and dividend earnings of the fund for projects that the commission designates to accomplish the purposes of the commission under IC 4-23-2.

(c) The commission may not use money from the fund to purchase land or structures.".

Renumber all SECTIONS consecutively.

(Reference is to SB 269 as printed January 20, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 1.

DUNCAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred Engrossed Senate Bill 277, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

HINKLE, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Safety and Homeland Security, to which was referred Engrossed Senate Bill 283, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 2. IC 36-8-16-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 18. A service supplier or a telephone company and its employees, directors, officers, and agents are not liable for any damages in a civil action for injuries, death, or loss to persons or property incurred by any person as a result of any act or omission of a service supplier or a telephone company, or of any of its employees, directors, officers, or agents, except for willful or wanton misconduct in connection with developing, adopting, implementing, maintaining, **providing data to,** or operating an enhanced emergency telephone system, **including an emergency telephone notification system (as defined in IC 36-8-21-1).**".

Renumber all SECTIONS consecutively.

(Reference is to SB 283 as printed January 25, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

RUPPEL, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred Engrossed Senate Bill 297, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 8, nays 2.

DUNCAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred Engrossed Senate Bill 308, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 9, nays 0.

T. BROWN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred Engrossed Senate Bill 314, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources and agriculture and animals.

Between the enacting clause and page 1, begin a new paragraph and insert:

"SECTION 1. IC 14-8-2-318 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 318. "Wild animal" has the following meaning:

(1) For purposes of IC 14-22, except as provided in subdivision (2), an animal ~~whose species usually:~~

~~(A)~~ **that** lives in the wild. ~~or~~

~~(B) is not domesticated.~~

(2) For purposes of IC 14-22-38-6, the meaning set forth in IC 14-22-38-6.

SECTION 2. IC 14-22-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) All wild animals ~~except those that are:~~

~~(1) legally owned or being held in captivity under a license or permit as required by this article; or~~

~~(2) otherwise excepted in this article;~~

are the property of the people of Indiana.

(b) The department shall protect and properly manage the fish and wildlife resources of Indiana.

SECTION 3. IC 14-22-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The director shall adopt rules under IC 4-22-2 to do the following:

(1) Establish, open, close, lengthen, suspend, or shorten seasons.

(2) Establish bag, sex, and size limits.

(3) Establish limitations on the numbers of hunters and fishermen.

(4) Establish the methods, means, and time of:

(A) taking, chasing, transporting, and selling; or

(B) attempting to take, transport, or sell;

wild animals, ~~or exotic mammals,~~ with or without dogs, in Indiana or in a designated part of Indiana.

(5) Establish other necessary rules to do the following:

(A) Administer this chapter.

(B) Properly manage wild animals ~~or exotic mammals~~ in a designated water or land area of Indiana.

(6) Set aside and designate land or water or parts of the land or water owned, controlled, or under contract or acquired by the state for conservation purposes as a public hunting and fishing ground under the restrictions, conditions, and limitations that are determined to be appropriate.

(b) Rules:

(1) may be adopted only after thorough investigation; and

(2) must be based upon data relative to the following:

(A) The welfare of the wild animal.

(B) The relationship of the wild animal to other animals.

(C) The welfare of the people.

(c) Whenever the director determines that it is necessary to adopt rules, the director shall comply with the following:

(1) Rules must clearly describe and set forth any applicable changes.

(2) The director shall make or cause to be made a periodic review of the rules.

(3) A copy of each rule, as long as the rule remains in force and effect, shall be included and printed in each official compilation of the Indiana fish and wildlife law.

(d) The director may modify or suspend a rule for a time not to exceed one (1) year under IC 4-22-2-37.1.

SECTION 4. IC 14-22-20.5-2, AS ADDED BY P.L.93-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "cervidae livestock operation" means an operation that:

~~(1) has a game breeders license issued by the department of natural resources under IC 14-22-20;~~

~~(2)~~ **(1)** contains privately owned cervidae; and

~~(3)~~ **(2)** involves the breeding, propagating, purchasing, selling, and marketing of cervidae or cervidae products;

but does not involve the hunting of privately owned cervidae.

SECTION 5. IC 14-22-31-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. Upon receipt of an application, the department shall do the following:

(1) Inspect the following:

(A) The proposed shooting preserve.

(B) The facilities for propagating the game birds. ~~or exotic mammals.~~

(C) The cover.

(D) The capability of the applicant to maintain such an operation.

(2) If found feasible, approve the application and issue a license to the applicant.

SECTION 6. IC 14-22-31-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. A person issued a license under section 4 of this chapter may propagate and offer for hunting the following animals that are captive reared and released:

(1) Pheasant.

(2) Quail.

(3) Chukar partridges.

(4) Properly marked mallard ducks. ~~and~~

(5) Other game bird species that the department determines by rule.

~~(2) Species of exotic mammals that the department determines by rule.~~

SECTION 7. IC 14-22-31-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) A person may not take game birds ~~and exotic mammals~~ on a shooting preserve unless the person has a hunting license required under this article, except nonresidents of Indiana who must possess a special license to shoot on licensed shooting preserves.

(b) The department:

(1) shall issue special licenses; and

(2) may appoint owners or managers of shooting preserves as agents to sell special licenses.

(c) A special license expires December 31 of the year issued.

(d) The fee for a special license is eight dollars and seventy-five cents ($8.75). All fees shall be deposited in the fish and wildlife fund.

SECTION 8. IC 14-22-31-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. The licensee of a shooting preserve shall issue a bill of sale designating game birds ~~or exotic mammals~~ lawfully taken upon the shooting preserve. The bill of sale must accompany all game birds ~~and exotic mammals~~ removed from the shooting preserve. The licensee shall retain a copy of all bills of sale issued to persons removing game birds ~~or exotic mammals~~ from the shooting preserve. The bills of sale are subject to inspection by the fish and wildlife division at any time.

SECTION 9. IC 14-22-32-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter does not apply to the following:

(1) Conservation officers or other law enforcement officers.

(2) Game birds ~~or exotic mammals~~ in shooting preserves licensed under IC 14-22-31.

~~(3) A person who takes a feral exotic mammal when the feral exotic mammal is causing damage to property that is owned or leased by the person.~~

~~(4) A person who is authorized by the department under extraordinary circumstances to take an exotic mammal.~~

SECTION 10. IC 14-22-32-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. A person may not do any of the following:

(1) Offer a game bird ~~or an exotic mammal~~ for hunting, trapping, or chasing by a person using a weapon or device that is not a shotgun, muzzle loading gun, handgun, or bow and arrow.

(2) Hunt, trap, or chase a game bird ~~or an exotic mammal~~ with a weapon or device that is not a shotgun, muzzle loading gun, handgun, or bow and arrow.

SECTION 11. IC 14-22-32-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. If a person violates section 2(1) of this chapter, the department shall enter a recommended order to dispose of any game bird ~~or exotic mammal~~ the person owns, keeps, harbors, or otherwise possesses. Before the order becomes a final determination of the department, a hearing must be held under IC 4-21.5-3. The hearing shall be conducted by an administrative law judge for the commission. The determination of the administrative law judge is a final agency action under IC 4-21.5-1-6.".

Page 2, line 41, delete "quality," and insert "**quality from sediment,**".

Page 4, line 11, after "the" insert "**administrative**".

Page 4, line 12, delete "conservation." and insert "**conservation practices.**".

Page 13, after line 42, begin a new paragraph and insert:

"SECTION 31. IC 15-5-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) All money derived by the taxing of dogs under this chapter shall constitute a fund known as the township dog fund that the township trustee shall use in the manner provided in this chapter for the payment of the following:

(1) Damages, less insurance proceeds, sustained by owners of the following stock, fowl, or game killed, maimed, or damaged by dogs:

(A) Sheep.

(B) Cattle.

(C) Horses.

(D) Swine.

(E) Goats.

(F) Mules.

(G) Chickens.

(H) Geese.

(I) Turkeys.

(J) Ducks.

(K) Guineas.

(L) Tame rabbits.

~~(M) Game birds and game animals held in captivity under authority of a game breeder's license issued by the department of natural resources.~~

~~(N)~~ **(M)** Bison.

~~(O)~~ **(N)** Farm raised cervidae.

~~(P)~~ **(O)** Ratitae.

(2) The expense of taking the Pasteur treatment for hydrophobia incurred by any person bitten by or exposed to a dog known to have hydrophobia, within any township of Indiana.

(b) Any person requiring the treatment described in subsection (a)(2) may select the person's own physician.

(c) No damages shall be assessed or paid under this chapter on sheep except where individual damage exists or is shown.

(d) This subsection applies to a county whose legislative body has acted under this subsection. A county legislative body may designate by ordinance one (1) humane society located in that county to receive fifty cents ($0.50) from each dog tax payment collected under this chapter.

(e) A humane society designated under subsection (d) shall use the funds disbursed to the society to maintain an animal shelter.

(f) If a county does not designate a humane society to receive payments under subsection (d), those amounts remain in the township dog fund.".

SECTION 32. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: IC 14-8-2-87; IC 14-22-20.

SECTION 33. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "department" refers to the department of**

agriculture established by IC 15-9-2-1.

(b) The legislative services agency shall prepare legislation for introduction in the 2007 regular session of the general assembly to organize the statutes concerning soil and water conservation and move the soil and water conservation statutes to IC 15-9, the article concerning the department.

(c) This SECTION expires July 1, 2007.

SECTION 34. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

(Reference is to SB 314 as printed January 27, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

GUTWEIN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment and Labor, to which was referred Engrossed Senate Bill 332, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

TORR, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred Engrossed Senate Bill 349, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 10, line 31, delete "term" and insert "**terms**".

Page 15, delete line 42.

Page 16, delete line 1.

Page 16, line 2, delete "(2)" and insert "**(1)**".

Page 16, line 5, delete "(3)" and insert "**(2)**".

(Reference is to SB 349 as reprinted February 3, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

RIPLEY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Utilities and Energy, to which was referred Engrossed Senate Bill 353, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, line 37, strike "may be increased".

Page 7, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 10. IC 6-3.1-29-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 4.5. As used in this chapter, "fluidized bed combustion technology" means a technology that involves the combustion of fuel in connection with a bed of inert material, such as limestone or dolomite, which is held in a fluid like state by the means of air or other gasses being passed through the materials.**

SECTION 11. IC 6-3.1-29-10, AS ADDED BY P.L.191-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 10. As used in this chapter, "qualified investment" means a taxpayer's expenditures for:

(1) all real and tangible personal property incorporated in and used as part of an integrated coal gasification powerplant **or a fluidized bed combustion technology;** and

(2) transmission equipment and other real and personal property located at the site of an integrated coal gasification powerplant **or a fluidized bed combustion technology** that is employed specifically to serve the integrated coal gasification powerplant **or fluidized bed combustion technology.**

SECTION 12. IC 6-3.1-29-14, AS ADDED BY P.L.191-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 14. (a) A taxpayer that:

(1) is awarded a tax credit under this chapter by the corporation; and

(2) complies with the conditions set forth in this chapter and the agreement entered into by the corporation and the taxpayer under this chapter;

is entitled to a credit against the taxpayer's state tax liability for a taxable year in which the taxpayer places into service an integrated coal gasification powerplant **or a fluidized bed combustion technology** and for the taxable years provided in section 16 of this chapter.

(b) A tax credit awarded under this chapter must be applied against the taxpayer's state tax liability in the following order:

(1) Against the taxpayer's liability incurred under IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax).

(2) Against the taxpayer's liability incurred under IC 6-5.5 (the financial institutions tax).

(3) Against the taxpayer's liability incurred under IC 27-1-18-2 (the insurance premiums tax).

(4) Against the taxpayer's liability incurred under IC 6-2.3 (the utility receipts tax).

SECTION 13. IC 6-3.1-29-15, AS ADDED BY P.L.191-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 15. **(a)** Subject to section 16 of this chapter, the amount of the credit to which a taxpayer is entitled **for a qualified investment in an integrated coal gasification powerplant** is equal to the sum of the following:

(1) Ten percent (10%) of the taxpayer's qualified investment for the first five hundred million dollars ($500,000,000) invested.

(2) Five percent (5%) of the amount of the taxpayer's qualified investment that exceeds five hundred million dollars ($500,000,000) **only if the facility is dedicated primarily to serving Indiana retail electric utility consumers.**

(b) Subject to section 16 of this chapter, the amount of the credit to which a taxpayer is entitled for a qualified investment in a fluidized bed combustion technology is equal to the sum of the following:

(1) Seven percent (7%) of the taxpayer's qualified investment for the first five hundred million dollars ($500,000,000) invested.

(2) Three percent (3%) of the amount of the taxpayer's qualified investment that exceeds five hundred million dollars ($500,000,000).

SECTION 14. IC 6-3.1-29-16, AS ADDED BY P.L.191-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 16. (a) A credit awarded under section 15 of this chapter must be taken in ten (10) annual installments, beginning with the year in which the taxpayer places into service an integrated coal gasification powerplant **or a fluidized bed combustion technology.**

(b) Subject to section 20 of this chapter, the amount of an annual installment of the credit awarded under section 15 of this chapter is equal to the amount determined in the last of the following STEPS:

STEP ONE: Determine the lesser of:

(A) the credit amount determined under section 15 of this chapter, divided by ten (10); or

(B) the greater of:

(i) the taxpayer's total state tax liability for the taxable year, multiplied by twenty-five percent (25%); or

(ii) the taxpayer's liability for the utility receipts tax imposed under IC 6-2.3 for the taxable year.

STEP TWO: Multiply the STEP ONE amount by the percentage of Indiana coal used in the taxpayer's integrated coal gasification powerplant **or fluidized bed combustion technology** in the taxable year for which the annual installment of the credit is allowed.

(c) If the credit allowed by this chapter is available to a member of an affiliated group of corporations filing a consolidated return under IC 6-2.3-6-5 or IC 6-3-4-14, the credit shall be applied against the state tax liability of the affiliated group.

SECTION 15. IC 6-3.1-29-17, AS ADDED BY P.L.191-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 17. A person that proposes to place a new integrated coal gasification powerplant **or fluidized bed combustion technology** into service may apply to the corporation before the taxpayer makes the qualified investment to enter into an agreement for a tax credit under this chapter. The corporation shall prescribe the form of the application.

SECTION 16. IC 6-3.1-29-19, AS ADDED BY P.L.191-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 19. (a) The corporation shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all the following:

(1) A detailed description of the project that is the subject of the agreement.

(2) The first taxable year for which the credit may be claimed.

(3) The maximum tax credit amount that will be allowed for each taxable year.

(4) A requirement that the taxpayer shall maintain operations at the project location for at least ten (10) years during the term that the tax credit is available.

(5) **If the facility is an integrated coal gasification powerplant,** a requirement that the taxpayer shall pay an average wage to its employees at the integrated coal gasification powerplant, other than highly compensated employees, in each taxable year that a tax credit is available, that equals at least one hundred twenty-five percent (125%) of the average county wage in the county in which the integrated coal gasification powerplant is located.

(6) **For a project involving a qualified investment in a coal gasification powerplant,** a requirement that the taxpayer will maintain at the location where the qualified investment is made, during the term of the tax credit, a total payroll that is at least equal to the payroll that existed on the date that the taxpayer placed the integrated coal gasification powerplant into service.

(7) A requirement that:

(A) one hundred percent (100%) of the coal used:

(i) at the integrated coal gasification powerplant, for a project involving a qualified investment in an integrated coal gasification powerplant; or

(ii) as fuel in a fluidized bed combustion unit, in a project involving a qualified investment in a fluidized bed combustion technology, if the unit is dedicated primarily to serving Indiana retail electric utility consumers;

must be Indiana coal; or

(B) seventy-five percent (75%) of the coal used as fuel in a fluidized bed combustion unit must be Indiana coal, in a project involving a qualified investment in a fluidized bed combustion technology, if the unit is not dedicated primarily to serving Indiana retail electric utility consumers. ~~the taxpayer shall use Indiana coal at the taxpayer's integrated coal gasification powerplant.~~

(8) A requirement that the taxpayer obtain from the commission a determination under IC 8-1-8.5-2 that public convenience and necessity require, or will require:

(A) the construction of the taxpayer's integrated coal gasification powerplant, **in the case of a project involving a qualified investment in an integrated coal gasification powerplant; or**

(B) the installation of the taxpayer's fluidized bed combustion unit, in the case of a project involving a qualified investment in a fluidized bed combustion technology.

(b) A taxpayer must comply with the terms of the agreement described in subsection (a) to receive an annual installment of the tax credit awarded under this chapter. The corporation shall annually determine whether the taxpayer is in compliance with the agreement. If the corporation determines that the taxpayer is in compliance, the corporation shall issue a certificate of compliance to the taxpayer.

SECTION 17. IC 6-3.1-29-20, AS ADDED BY P.L.191-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 20. (a) This section applies if a qualified investment is made by a pass through entity or by taxpayers who are co-owners of an integrated coal gasification powerplant **or a fluidized bed combustion technology.**

(b) If the credit allowed by this chapter for a taxable year is greater than the state tax liability of the pass through entity against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year in excess of the pass through entity's state tax liability for the taxable year; multiplied by

(2) in the case of a pass through entity described in:

(i) section 9(1), 9(2), 9(3), or 9(4) of this chapter, the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled; and

(ii) section 9(5) or 9(6) of this chapter, the relative percentage of the corporation's patronage dividends allocable to the member for the taxable year.

(c) If an integrated coal gasification powerplant **or a fluidized bed combustion technology** is co-owned by two (2) or more taxpayers, the amount of the credit that may be allowed to a co-owner in a taxable year is equal to:

(1) the tax credit determined under sections 15 and 16 of this chapter with respect to the total qualified investment in the integrated coal gasification powerplant **or fluidized bed combustion technology;** multiplied by

(2) the co-owner's percentage of ownership in the integrated coal gasification powerplant **or fluidized bed combustion technology.**

(d) The amount of an annual installment of the credit allowed to a shareholder, partner, or member of a pass through entity or a co-owner shall be determined under section 16 of this chapter modified as follows:

(1) Section 16(b) STEP ONE (A) of this chapter shall be based on the percentage of the credit allowed to the shareholder, partner, member, or co-owner under this section.

(2) Section 16(b) STEP ONE (B) of this chapter shall be based on the:

(A) state tax liability; or

(B) utilities receipts tax liability;

of the shareholder, partner, member, or co-owner.".

Renumber all SECTIONS consecutively.

(Reference is to SB 353 as printed January 27, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 0.

J. LUTZ, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Family, Children and Human Affairs, to which was referred Engrossed Senate Bill 373, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

BUDAK, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred Engrossed Senate Bill 384, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

BURTON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred Engrossed Senate Joint Resolution 2, has had the same under consideration and begs leave to report the same back to the House

with the recommendation that said resolution do pass.

Committee Vote: yeas 9, nays 1.

FOLEY, Chair

Report adopted.

RESOLUTIONS ON FIRST READING

House Concurrent Resolution 37

Representatives Murphy, Frizzell, and Buell introduced House Concurrent Resolution 37:

A CONCURRENT RESOLUTION congratulating Mrs. Janet Pernell on her selection as the 2005 Milken National Educator.

Whereas, The Milken National Educator Award is the nation's largest teacher recognition program;

Whereas, This award was developed by the Milken Family Foundation to reward, retain, and attract the highest quality kindergarten through 12th grade teachers to the teaching profession;

Whereas, Forty-two states participate in the Milken National Educator Awards;

Whereas, Milken educators are selected by an independent blue ribbon committee appointed by the Department of Education from each of the 42 participating states;

Whereas, This selection committee recommends the candidates directly to the Milken Family Foundation; there is no nomination or application procedure involved in this award;

Whereas, To be nominated by the selection committee, the candidates must meet the following criteria: possess exceptional educational talent as evidenced by outstanding instructional practices in the classroom, school, and profession; make outstanding accomplishments and have strong long-range potential for professional and policy leadership; and have an engaging and inspiring presence that motivates and affects students, colleagues, and community members;

Whereas, Mrs. Janet Pernell fulfills all these requirements;

Whereas, Mrs. Janet Pernell, a 19-year educator, has spent her entire teaching career at Southport High School, where she teaches mathematics;

Whereas, Mrs. Janet Pernell received a bachelor of science degree in mathematics from Purdue University and a master's degree in education from Indiana Wesleyan University;

Whereas, In addition to her selection as the 2005 Milken National Educator, Mrs. Janet Pernell has been nominated for the Disney Educator Award;

Whereas, Mrs. Janet Pernell sets high standards for all her students, accepts no excuses, and helps students find ways to succeed; and

Whereas, Terry Thompson, principal of Southport High School, describes Mrs. Janet Pernell as imaginative, child-centered, and stimulating, and, he says, more importantly, these are the words her students use to describe their beloved teacher: Therefore,

Be it resolved by the House of Representatives
of the General Assembly of the State of Indiana,
the Senate concurring:

SECTION 1. That the Indiana General Assembly congratulates Mrs. Janet Pernell on her selection as the 2005 Milken National Educator and recognizes her dedication to her students and her devotion to the youth of our state. We urge Mrs. Pernell to continue to encourage our young people to further their education and to strive to do their best.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Mrs. Janet Pernell and her family; Terry Thompson, principal of Southport High School; and Dr. H. Douglas Williams, superintendent of the Metropolitan School District of Perry Township.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsors: Senators Miller and Waltz.

Members of the Committee on Rules and Legislative Procedures, Representatives Whetstone, Foley, Burton, Frizzell, Turner, Pelath, E. Harris, Oxley, and Stilwell, were excused.

The Speaker yielded the gavel to the Deputy Speaker Pro Tempore, Representative T. Brown.

House Concurrent Resolution 40

Representatives Summers and Mays introduced House Concurrent Resolution 40:

A CONCURRENT RESOLUTION honoring Alpha Phi Alpha Fraternity, Inc.

Whereas, Alpha Phi Alpha Fraternity, Inc. was founded on December 4, 1906, at Cornell University in Ithaca, New York by Henry Arthur Callis, Charles Henry Chapman, Eugene Kinckle Jones, George Biddle Kelley, Nathaniel Allison Murray, Robert Harold Ogle, and Vertner Woodson Tandy;

Whereas, Alpha Phi Alpha Fraternity, the first intercollegiate Greek-letter fraternity established for African Americans, was founded to help fill a need for a strong bond of brotherhood among African descendants in this country;

Whereas, The seven original founders, known as "Jewels" of the fraternity, established the fraternity on a firm foundation reflecting their principles of scholarship, fellowship, good character, and the uplifting of humanity;

Whereas, Alpha Phi Alpha chapters were developed at other colleges and universities, many historically black institutions, after its founding at Cornell;

Whereas, In addition to stressing academic excellence, Alpha Phi Alpha urges its members to recognize the need to help correct educational, economic, political, and social injustices faced by African Americans;

Whereas, Alpha Phi Alpha has been a leader in the fight for civil rights, producing alumni like W.E.B. DuBois, Adam Clayton Powell, Jr., Edward Brooke, Martin Luther King, Jr., Thurgood Marshall, Andrew Young, William Gray, and Paul Robeson; and

Whereas, Alpha Phi Alpha Fraternity, Inc. is dedicated to the service of all mankind and has improved the lives of many people throughout the years: Therefore,

Be it resolved by the House of Representatives
of the General Assembly of the State of Indiana,
the Senate concurring:

SECTION 1. That the Indiana General Assembly thanks the members of Alpha Phi Alpha Fraternity, Inc. for their many hours of service to the black community, the nation, and the state of Indiana and congratulates them on the occasion of the fraternity's 100th year of service.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to the officers of Alpha Phi Alpha Fraternity, Inc.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsors: Senators Breaux and Rogers.

House Concurrent Resolution 41

Representatives Welch and Bottorff introduced House Concurrent Resolution 41:

A CONCURRENT RESOLUTION recognizing March as National Colorectal Cancer Awareness Month.

Whereas, Colorectal cancer, commonly known as colon cancer, is the second leading cause of cancer-related deaths in the United States, passing both breast and prostate cancer in mortality and second only to lung cancer in the number of cancer deaths;

Whereas, One of the missions of National Colorectal Cancer Awareness Month is to increase support of innovative colorectal cancer prevention and early detection research;

Whereas, Even though colorectal cancer is highly preventable, an

estimated 148,610 new cases will be diagnosed in 2006 and 55,170 people will die from the disease;

Whereas, Screening tests are the most effective way to prevent colorectal cancer;

Whereas, By catching colorectal cancer in its earliest, most curable stages, screening tests can save lives even when they detect polyps that have become cancerous;

Whereas, When colorectal cancer is discovered early, it can be cured in most cases;

Whereas, The risk of developing colorectal cancer increases with age; 9 out of 10 people diagnosed are older than 50 years of age;

Whereas, Other major risk factors associated with colorectal cancer are a personal history of intestinal polyps, a personal history of bowel diseases, a family history of colorectal cancer or polyps, smoking or use of other tobacco products, obesity and lack of exercise, and a diet of foods high in fat;

Whereas, Because of disproportionate screening, African-Americans and Hispanics are more likely to be diagnosed with advanced stage colorectal cancer; and

Whereas, Through understanding and preventive testing methods, deaths from colorectal cancer can be greatly reduced or even eliminated in the very near future: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

SECTION 1. That the Indiana General Assembly recognizes March as National Colorectal Cancer Awareness Month and urges all Hoosiers, especially those over 50 years of age, to have regular screening tests for colorectal cancer so that the grief caused by the deaths of our beloved colleagues James Bottorff and Charles "Bud" Meeks will never happen to Hoosier families again.

SECTION 2. That the Principal Clerk of the House of Representatives transmit a copy of this resolution to the Cancer Research and Prevention Foundation.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsors: Senators Meeks and Steele.

House Resolution 17

Representative Denbo introduced House Resolution 17:

A HOUSE RESOLUTION congratulating the Paoli High School Marching Band.

Whereas, The talent, hard work, and dedication of the student members, adult staff, and volunteers of the Paoli High School Marching Band have produced a high school marching band that has been able to place first in the Indiana State School Music Association (ISSMA) state championship 15 times;

Whereas, No other school in the history of the ISSMA has ever won 15 state championships;

Whereas, The Paoli High School Marching Band has qualified for the state finals 23 of the last 24 years, has finished as "runner-up" five times, and has won the state championship 15 times in the last 23 years, including 12 of the last 15;

Whereas, The senior members of the Paoli Marching Band contributed superior leadership, dedication, and patience and have, by their example, shown the way for the other members of this outstanding program to perform like champions;

Whereas, The remarkable achievements of the Pride of Paoli Marching Band were made possible by the inspired leadership of band directors Bill and Gayle Laughlin, who have won 12 state championships together;

Whereas, The band has also been aided in its outstanding accomplishments by other staff, the organizational backing of the entire administration of the Paoli Community Schools, and the generous volunteer support provided by the parents, other relatives, and friends of these championship students; and

Whereas, The discipline, efforts, and talents developed and achieved by the members of this program will remain valuable enhancements to the quality of their lives: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the Indiana House of Representatives congratulates the members, staff, and volunteers of the Paoli High School Marching Band on the occasion of the band's 15th ISSMA state championship and wishes them well in their future endeavors.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to the members of the Paoli High School Band, Director Bill Laughlin, Assistant Director Gayle Laughlin, and Principal Jerry Stroud.

The resolution was read a first time and adopted by voice vote.

House Resolution 18

Representative Orentlicher introduced House Resolution 18:

A HOUSE RESOLUTION honoring St. Thomas Aquinas School as a recipient of the 2005 No Child Left Behind–Blue Ribbon School Award.

Whereas, St. Thomas Aquinas School was among eight Indianapolis metropolitan area schools that were selected as a 2005 No Child Left Behind–Blue Ribbon School;

Whereas, The No Child Left Behind–Blue Ribbon School program honors public and private K-12 schools that are either academically superior in the school's state or that demonstrate dramatic gains in student achievement;

Whereas, To be named a No Child Left Behind–Blue Ribbon School, a school must meet one of two assessment criteria;

Whereas, A school must have either at least 40 percent of the school's students from disadvantaged backgrounds who dramatically improve student performance in state assessment systems or score in the top ten percent on state assessments;

Whereas, At least one-third of the schools submitted by each state must meet the criteria of having 40 percent of the students come from disadvantaged backgrounds;

Whereas, The program allows both elementary and secondary schools to be recognized in the same year;

Whereas, It is even more difficult for private schools to earn this honor;

Whereas, Before a private school can be nominated for a No Child Left Behind–Blue Ribbon School award, the Council of American Private Schools must approve the selection;

Whereas, This year marks the first time the three Roman Catholic Archdioceses of Indianapolis schools, Immaculate Heart of Mary, St. Simon the Apostle, and St. Thomas Aquinas, have been selected; more than 90 percent of the students tested from each school passed the Indiana Statewide Testing for Educational Progress–Plus in 2003, the year used for review; and

Whereas, Blue Ribbon schools are an example of achievement by students and teachers working together toward one goal: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the Indiana House of Representatives congratulates the teachers, students, and parents of St. Thomas Aquinas School for their outstanding accomplishment and wishes them continued success in the future.

SECTION 2. That the Principal Clerk of the House shall transmit a copy of this resolution to Bonnie Stevens, Principal of St. Thomas Aquinas School.

The resolution was read a first time and adopted by voice vote.

House Resolution 19

Representative Friend introduced House Resolution 19:

A HOUSE RESOLUTION honoring Bridget Bobel.

Whereas, Bridget Bobel was crowned Miss Indiana USA 2006;

Whereas, Bridget Bobel, a 25-year-old Peru, Indiana resident, is the daughter of David and Mina Bobel;

Whereas, Bridget Bobel is a 1998 graduate of Maconaquah High School and received a bachelor's degree from Ball State University in 2002 with a degree in public relations;

Whereas, After graduation, Bridget Bobel worked for two years in the communications office of the Republican caucus in the House of Representatives;

Whereas, Bridget Bobel currently works for Simon Malls as the assistant manager of mall marketing at Castleton Square Mall in Indianapolis;

Whereas, Bridget Bobel is also active in her community serving as a volunteer for Indy Reads, an Indianapolis-Marion County Public Library program, and serving as an adult literacy tutor;

Whereas, As a child, Bridget Bobel performed trapeze and aerial acts in the Peru Amateur Circus for 13 years and still volunteers her time with the Circus City Festival, assisting her mother with the Miss Circus City Pageant, a title Bridget held in 1999; and

Whereas, It is a great benefit to the state of Indiana to have Miss Indiana serve as the state hostess and goodwill ambassador at appropriate public and festive occasions as well as other events to promote the state of Indiana: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the Indiana House of Representatives honors Miss Indiana 2006, Bridget Bobel, an outstanding ambassador of goodwill for all Hoosiers, for being a true inspiration and role model for generations of young Hoosiers to come.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Bridget Bobel and her family, Governor Daniels, Lieutenant Governor Skillman, and the Legislative Council.

The resolution was read a first time and adopted by voice vote.

House Resolution 20

Representative Reske introduced House Resolution 20:

A HOUSE RESOLUTION honoring Brock Hagerman.

Whereas, Pendleton Heights High School senior Brock Hagerman is well known throughout the Indiana cross country world;

Whereas, Brock Hagerman burst onto the cross country scene as a freshman and has continued to develop into one of the elite distance runners in Indiana;

Whereas, While an individual state title has previously eluded Brock Hagerman, he has now achieved this last outstanding goal of his high school career;

Whereas, Brock Hagerman won an individual state title on the course at Indiana State University with a blazing 15:13 time, 12 seconds faster than his nearest competitor;

Whereas, Brock Hagerman was also named a 2005 Foot Locker Cross Country finalist and has been named to the First Team All State four times;

Whereas, In addition to the individual state title, Brock Hagerman was also the 2005 Mental Attitude Award Winner, the 2005 Madison County champion, the 2005 Hoosier Heritage Conference champion, the 2005 IHSAA Pendleton Heights sectional champion, the 2005 Noblesville regional champion, and the 2005 IHSAA Franklin Central semi-state champion; and

Whereas, Brock Hagerman is an outstanding example of the dedication and drive exhibited by many of our young Hoosiers both on the athletic field and in the classroom: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the Indiana House of Representatives congratulates Brock Hagerman on his many accomplishments and wishes him continued success in his future endeavors.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Brock Hagerman and coach Alan Holden.

The resolution was read a first time and adopted by voice vote.

House Resolution 21

Representative Reske introduced House Resolution 21:

A HOUSE RESOLUTION honoring the Pendleton Heights High School cheerleading squad.

Whereas, Today's cheerleaders soar through the air, climb human pyramids, somersault over and over again, and catch their teammates as they return to the ground;

Whereas, The Pendleton Heights High School cheerleading squad has proven that they excel at all these difficult maneuvers;

Whereas, The Pendleton Heights High School cheerleaders are coming off one of the most exciting and productive years they have ever experienced;

Whereas, The squad has been named the Indiana Cheer Association regional Class 3A champions, the Indiana Cheer Association Class 3A state champions, the Indy Classic World Cheerleading Association champions, and the World Cheerleading Association national champions;

Whereas, Coach Brenda Jamerson has been named the Indiana Cheer Association Coach of the Year and is currently serving on the Indiana Department of Education's Cheerleading Safety Advisory Board; and

Whereas, It is through hard work and dedication that the Pendleton Heights High School cheerleaders have achieved the level of success demonstrated by the awards bestowed upon them during the 2004-2005 season: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the Indiana House of Representatives congratulates the members of the Pendleton Heights cheerleading squad on their Class 3A state championship and their national championship and wishes them continued success in all their future endeavors.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to squad members Kassidy Bell, Whitney Elsworth, Casey Gardner, Lindsey Hart, Shayla Hinchman, Casey Jamerson, Marah Kasdorf, Kylee Ketring, Katie Kritzer, Courtney Lamb, Caitlin Mayo, Katie Reske, Krissy Riley, Lauren Williamson, and Kiley Vanasdal and Coach Brenda Jamerson.

The resolution was read a first time and adopted by voice vote.

The Deputy Speaker Pro Tempore yielded the gavel to the Speaker.

The members of the Committee on Rules and Legislative Procedures, who had been excused, were present. Representative Stilwell was excused for the rest of the day.

RESOLUTIONS ON SECOND READING

House Concurrent Resolution 23

The Speaker handed down on its passage House Concurrent Resolution 23, authored by Representative Burton.

The resolution was read a second time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator Miller.

House Concurrent Resolution 25

The Speaker handed down on its passage House Concurrent Resolution 25, authored by Representative McClain.

The resolution was read a second time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator Hershman.

ENGROSSED SENATE BILLS ON SECOND READING

Engrossed Senate Bill 41

Representative T. Brown called down Engrossed Senate Bill 41 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 41–1)

Mr. Speaker: I move that Engrossed Senate Bill 41 be amended to read as follows:

Page 24, delete lines 41 through 42.

Page 25, delete lines 1 through 15.

(Reference is to ESB 41 as printed February 14, 2006.)

T. BROWN

Motion prevailed. The bill was ordered engrossed.

Engrossed Senate Bill 42

Representative Frizzell called down Engrossed Senate Bill 42 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 42–1)

Mr. Speaker: I move that Engrossed Senate Bill 42 be amended to read as follows:

Page 1, line 5, after "agency" insert "**or to a contractor of the legislative services agency described in subsection (c)**".

Page 1, line 9, after "(c)" insert "**The legislative services agency may enter into a contract with a research organization to perform any part of the survey described in subsection (b).**

(d)".

Page 1, line 10, after "agency" insert "**or to a contractor of the legislative services agency described in subsection (c)**".

Page 1, line 14, delete "(d)" and insert "**(e)**".

(Reference is to ESB 42 as printed February 14, 2006.)

T. BROWN

Motion prevailed. The bill was ordered engrossed.

The Speaker yielded the gavel to the Speaker Pro Tempore, Representative Turner.

Engrossed Senate Bill 75

Representative Borror called down Engrossed Senate Bill 75 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 75–1)

Mr. Speaker: I move that Engrossed Senate Bill 75 be amended to read as follows:

Page 4, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 5. [EFFECTIVE UPON PASSAGE] **(a) The provision of P.L.246-2005, SECTION 9, that limits the Indiana department of veterans' affairs from considering new applications from dependents of veterans with disabilities not greater than zero (0) percentage does not apply to applications affecting academic years beginning after June 30, 2006.**

(b) Beginning July 1, 2006, the appropriation for state student assistance commission statutory fee remission made by P.L.246-2005, SECTION 9, may be allotted and used for statutory fee remission related to dependents of veterans with disabilities not greater than zero (0) percentage.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 75 as printed February 14, 2006.)

WOODRUFF

Motion prevailed.

HOUSE MOTION
(Amendment 75–2)

Mr. Speaker: I move that Engrossed Senate Bill 75 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-8.1-9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) Every individual (other than a nonresident) who files an individual income tax return and who is entitled to a refund from the ~~Indiana~~ department of **state** revenue because of the overpayment of income tax for a taxable year may designate on ~~his~~ **the individual's** annual state income tax return that either a specific amount or all of the refund to which ~~he~~ **the individual** is entitled shall be paid over to **one (1) or more of** the ~~nongame fund. In the event that the individual designates that a certain amount shall be paid over to the nongame fund and~~ **funds described in subsection (c). If** the refund to which ~~he~~ **the individual** is entitled is less than the **total** amount designated ~~such designation shall mean that~~ **to be paid over to one (1) or more of the funds described in subsection (c),** all of the refund to which ~~he~~ **the individual** is entitled shall be paid over to the ~~nongame fund.~~ **designated funds, but in an amount or amounts reduced proportionately for each designated fund. If an individual designates all of the refund to which the individual is entitled to be paid over to one (1) or more of the funds described in subsection (c) without designating specific amounts, the refund to which the individual is entitled shall be paid over to each fund described in subsection (c) in an amount equal to the refund divided by the number of funds described in subsection (c), rounded to the lowest cent, with any part of the refund remaining due to the effects of rounding to be deposited in the nongame fund.**

(b) Every husband and wife (other than nonresidents) who file a joint income tax return and who are entitled to a refund from the ~~Indiana~~ department of **state** revenue because of the overpayment of income tax for a taxable year may designate on their annual state income tax return that either a specific amount or all of the refund to which they are entitled shall be paid over to **one (1) or more of** the ~~nongame fund. In the event that the husband and wife designate that a certain amount shall be paid over to the nongame fund and~~ **funds described in subsection (c). If** the refund to which ~~they~~ **a husband and wife** are entitled is less than the **total** amount designated ~~such designation shall mean that~~ **to be paid over to one (1) or more of the funds described in subsection (c),** all of the refund to which ~~they~~ **the husband and wife** are entitled shall be paid over to the ~~nongame fund.~~ **designated funds, but in an amount or amounts reduced proportionately for each designated fund. If a husband and wife designate all of the refund to which the husband and wife are entitled to be paid over to one (1) or more of the funds described in subsection (c), without designating specific amounts, the refund to which the husband and wife are entitled shall be paid over to each fund described in subsection (c) in an amount equal to the refund divided by the number of funds described in subsection (c), rounded to the lowest cent, with any part of the refund remaining due to the effects of rounding to be deposited in the nongame fund.**

(c) Designations under subsection (a) or (b) may be directed only to the following funds:

(1) The nongame fund.

(2) The military family relief trust fund.

~~(c)~~ **(d)** The instructions for the preparation of individual income tax returns shall contain a description of the purposes of **the following:**

(1) The nongame and endangered species program. ~~which is~~ **The description of this program shall be** written in cooperation with the department of natural resources.

(2) Grants for the relief of military families disbursed from the military family relief trust fund. The description of the purposes of these grants shall be written in cooperation with the Indiana department of veterans' affairs.

(e) The department shall interpret a designation on a return under subsection (a) or (b) that is illegible or otherwise not reasonably discernible to the department as if the designation had not been made.

SECTION 2. IC 6-6-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) Except as otherwise provided in this chapter, the excise tax imposed under this chapter upon vehicles shall be payable for each registration year, by the owners thereof in respect to vehicles required to be registered for

such registration year as provided in the motor vehicle laws of Indiana. Except as provided in section 7 of this chapter, such excise tax shall be due on or before the regular annual registration date in each year on or before which the owner is required under the motor vehicle registration laws of Indiana to register vehicles and such excise tax shall be paid to the bureau at the time the vehicle is registered by the owner as provided in the motor vehicle registration laws of Indiana. Each vehicle subject to taxation under this chapter shall be registered by the owner thereof as being taxable in the county of the owner's residence. The payment of the excise tax imposed by this chapter shall be a condition to the right to register or reregister the vehicle and shall be in addition to all other conditions prescribed by law.

(b) A voucher from the department of state revenue showing payment of the excise tax imposed by this chapter may be accepted by the bureau in lieu of a payment under subsection (a).

(c) Every owner required to register for a registration year may donate an additional amount designated by the owner for deposit in the military family relief trust fund when the owner registers the owner's vehicle. The bureau shall provide for the collection of the additional amount designated by the owner. If the owner is entitled to a refund of previously paid excise taxes, the owner may donate an amount designated by the owner from the refund for deposit in the military family relief trust fund. The bureau shall transfer all money collected under this subsection to the military family relief trust fund. The instructions on a registration form provided by the bureau must include instructions on how to designate and make a donation to the military family relief trust fund. The bureau shall interpret a designation on a registration form that is illegible or otherwise not reasonably discernible to the bureau as if the designation had not been made.

SECTION 3. IC 6-6-5.5-8 IS AMENDED TO READ AS FOLLOWS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 8. (a) Except as otherwise provided in this chapter, the excise tax imposed under this chapter upon commercial vehicles shall be payable for each registration year, by the owners thereof, in respect to vehicles required to be registered for such registration year as provided in the motor vehicle laws of Indiana and the International Registration Plan. Except as provided in section 9 of this chapter, the excise tax shall be due on or before the regular annual registration date in each year in which the owner is required under the motor vehicle registration laws of Indiana or the terms of the International Registration Plan to register vehicles and the excise tax shall be paid at the time the vehicle is registered by the owner. The payment of the excise tax imposed by this chapter shall be a condition of the right to register or reregister the vehicle and shall be in addition to all other conditions prescribed by law.

(b) A voucher from the department showing payment of the excise tax imposed by this chapter may be accepted by the bureau in lieu of a payment under subsection (a).

(c) Every owner required to register for a registration year may donate an additional amount designated by the owner for deposit in the military family relief trust fund when the owner registers the owner's vehicle. The bureau shall provide for the collection of the additional amount designated by the owner. If the owner is entitled to a refund of previously paid excise taxes, the owner may donate an amount designated by the owner from the refund for deposit in the military family relief trust fund. The bureau shall transfer all money collected under this subsection to the military family relief trust fund. The instructions on a registration form provided by the bureau must include instructions on how to designate and make a donation to the military family relief trust fund. The bureau shall interpret a designation on a registration form that is illegible or otherwise not reasonably discernible to the bureau as if the designation had not been made.".

Page 3, between lines 25 and 26, begin a new line block indented and insert:

"**(5) Refunds designated for the fund under IC 6-8.1-9-4.**

(6) Refunds and donations designated under IC 6-6-5-6.

(7) Refunds and donations designated under IC 6-6-5.5-8.".

Page 3, line 26, delete "(5)" and insert "**(8)**".

Renumber all SECTIONS consecutively.

(Reference is to ESB 75 as printed February 14, 2005.)

STUTZMAN

Motion prevailed. The bill was ordered engrossed.

Engrossed Senate Bill 147

Representative Ripley called down Engrossed Senate Bill 147 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 147–2)

Mr. Speaker: I move that Engrossed Senate Bill 147 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-10-8-6.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 6.8. (a) As used in this section, "small employer" means a private employer that employs at least six (6) but not more than fifty (50) full-time employees.**

(b) As used in this section, "state employee health plan" means:

(1) a self-insurance program established under section 7(b) of this chapter to provide group health coverage; or

(2) a contract with a prepaid health care delivery plan entered into by the state personnel department under section 7(c) of this chapter.

(c) The state personnel department shall allow a small employer to provide coverage of health care services for employees of the small employer under any state employee health plan available to state employees in the same part of the state.

(d) IC 27-8-15 does not apply to coverage provided to employees of a small employer under this section.

(e) A small employer's employee who receives coverage of health care services under a state employee health plan under subsection (c) must:

(1) receive coverage equal to the coverage provided to state employees under the state employee health plan; and

(2) be allowed the same degree of choice under the health plan as is given to state employees.

(f) The premium rate that applies to a small employer's employee who is covered under a state employee health plan under this section must be the same premium rate that applies to a state employee for the same coverage.".

Page 4, after line 28, begin a new paragraph and insert:

"SECTION 9. [EFFECTIVE JULY 1, 2006] **(a) The state personnel department shall implement the requirements of IC 5-10-8-6.8, as added by this act, not later than July 1, 2007.**".

Renumber all SECTIONS consecutively.

(Reference is to ESB 147 as printed February 14, 2006.)

ORENTLICHER

Representative Whetstone rose to a point of order, citing Rule 118, stating that the motion was attempting to incorporate into Engrossed Senate Bill 147 a bill pending before the House. The Chair ruled the point was well taken and the motion was out of order.

APPEAL OF THE RULING OF THE CHAIR

Mr. Speaker: We hereby appeal the ruling of the Chair that Representative Orentlicher's amendment (147–2) is a bill pending before this House under Rule 118.

PELATH
ORENTLICHER

The Speaker Pro Tempore yielded the gavel to the Speaker.

The question was, Shall the ruling of the Chair be sustained? Roll Call 216: yeas 51, nays 45. The ruling of the Chair was sustained.

HOUSE MOTION
(Amendment 147–1)

Mr. Speaker: I move that Engrossed Senate Bill 147 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 12-15-1-20 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 20. (a) As used in this section, "fund" refers to the health care fund established under subsection (b).**

(b) The health care fund is established for the purpose of supporting the operations of the Medicaid program. The fund shall be administered by the office of the secretary. The office of the secretary may spend the money in the fund in accordance with this subsection.

(c) The fund consists of money received from payments by employers under IC 22-2-13.

(d) The expenses of administering the fund shall be paid from money in the fund.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(f) The money in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) Money in the fund is continuously appropriated for the purposes described in subsection (b).".

Page 2, after line 6, begin a new paragraph and insert:

"SECTION 3. IC 22-2-13 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 13. Employer Health Care Contributions

Sec. 1. As used in this chapter, "commissioner" refers to the commissioner appointed under IC 22-1-1-2.

Sec. 2. As used in this chapter, "employer" means a private employer that employs at least five thousand (5,000) full time and part time employees.

Sec. 3. As used in this chapter, "health care costs" means the amount paid by an employer to provide coverage for health care services (as defined in IC 27-13-1-18) to employees in Indiana to the extent the costs are deductible under federal tax law.

Sec. 4. (a) On January 1 of each year an employer shall submit to the commissioner, on a form and in a manner approved by the commissioner, the:

(1) number of employees in Indiana on one (1) day, determined by the employer, during the immediately preceding calendar year;

(2) amount spent by the employer during the immediately preceding calendar year on health care costs in Indiana; and

(3) percentage of payroll that was spent by the employer during the immediately preceding calendar year on health care costs in Indiana.

(b) The information submitted under subsection (a) must:

(1) be signed by the principal executive officer or an individual performing a similar function; and

(2) include an affidavit under penalty of perjury that the information submitted:

(A) was reviewed by the individual signing the information under subdivision (1); and

(B) is true to the best of the individual's knowledge, information, and belief.

Sec. 5. When calculating the percentage of payroll under section 4(a)(3) of this chapter, an employer may exclude:

(1) wages paid to an employee in excess of the median household income in Indiana as published by the United States Census Bureau; and

(2) wages paid to an employee who is eligible for Medicare.

Sec. 6. (a) An employer shall do either of the following:

(1) Spend on health care costs an amount equal to at least eight percent (8%) of the total wages paid by the employer to employees in Indiana.

(2) If the employer spends less than the amount specified under subdivision (1), pay to the health care fund established by IC 12-15-1-20 an amount equal to the difference between the amount the employer spends and an amount equal to eight percent (8%) of the total wages paid by the employer to employees in Indiana.

(b) The difference paid to the health care fund under subsection (a)(2) must be paid on a periodic basis determined by the commissioner.

(c) An employer shall not deduct any payment made under subsection (a) from the wages of an employee.

Sec. 7. The commissioner shall impose on an employer that violates:

(1) section 4(a) of this chapter a civil penalty of two hundred fifty dollars ($250) for each day of noncompliance; and

(2) section 6 of this chapter a civil penalty of two hundred fifty thousand dollars ($250,000).

Sec. 8. Not later than March 15 of each year, the commissioner shall obtain and report to the governor and the legislative council in an electronic format under IC 5-14-6 the:

(1) name of each employer in Indiana;

(2) definition of "full time" and "part time" employee used by each employer;

(3) number of full time employees:

(A) employed;

(B) eligible to receive health insurance benefits provided; and

(C) receiving health insurance benefits provided;

by each employer;

(4) source of health insurance benefits for full time employees not receiving health insurance benefits provided by each employer;

(5) number of part time employees:

(A) employed;

(B) eligible to receive health insurance benefits provided; and

(C) receiving health insurance benefits provided;

by each employer; and

(6) source of health insurance benefits for part time employees not receiving health insurance benefits provided by each employer;

as of the day specified in section 4(a)(1) of this chapter.

Sec. 9. The commissioner shall annually, based on the information submitted under section 4 of this chapter:

(1) verify the identity of employers in Indiana; and

(2) ensure that employers in Indiana are in compliance with section 4 of this chapter.

Sec. 10. The commissioner shall adopt rules under IC 4-22-2 to implement this chapter.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 147 as printed February 14, 2006.)

FRY

Representative Whetstone rose to a point of order, citing Rule 80, stating that the motion was not germane to the bill. The Speaker ruled the point was well taken and the motion was out of order.

APPEAL OF THE RULING OF THE CHAIR

Mr. Speaker: We hereby appeal the ruling of the Chair that Representative Fry's amendment (147–1) is not germane to Engrossed Senate Bill 147.

Amendment 1 is germane to Engrossed Senate Bill 147. Both amendment 1 and Engrossed Senate Bill 147 concern health insurance.

PELATH
FRY

The Speaker yielded the gavel to the Speaker Pro Tempore, Representative Turner.

The question was, Shall the ruling of the Chair be sustained? Roll Call 217: yeas 51, nays 46. The ruling of the Chair was sustained.

There being no further amendments, the bill was ordered engrossed.

The Speaker Pro Tempore yielded the gavel to the Speaker.

Engrossed Senate Bill 160

Representative Ulmer called down Engrossed Senate Bill 160 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Engrossed Senate Bill 161

Representative T. Brown called down Engrossed Senate Bill 161 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Engrossed Senate Bill 172

Representative Behning called down Engrossed Senate Bill 172 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Engrossed Senate Bill 253

Representative Hoffman called down Engrossed Senate Bill 253 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 253–1)

Mr. Speaker: I move that Engrossed Senate Bill 253 be amended to read as follows:

Page 1, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 2. IC 14-15-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. **(a) This section does not apply to a body of water that is under the jurisdiction of the:**

(1) department; or

(2) United States Army Corps of Engineers.

~~(a)~~ **(b)** As used in this section, "litter" means bottles, glass, crockery, cans, scrap metal, junk, paper, garbage, rubbish, plastic, or similar refuse.

~~(b)~~ **(c)** In the operation or use of watercraft, a person may not throw, dump, place, deposit, or cause or permit to be thrown, dumped, placed, or deposited:

(1) any litter, filth, or putrid or unwholesome substance; or

(2) the contents of a water closet or toilet, catch basin, or grease trap;

in or upon public water or the banks of public water.".

Page 3, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 5. IC 35-45-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) A person who recklessly, knowingly, or intentionally places or leaves refuse on property of another person, except in a container provided for refuse, commits littering, a Class B infraction. **However, the offense is a Class A misdemeanor if the refuse is placed or left in, on, or within one hundred (100) feet of a body of water that is under the jurisdiction of the:**

(1) department of natural resources; or

(2) United States Army Corps of Engineers.

(b) "Refuse" includes solid and semisolid wastes, dead animals, and offal.

(c) Evidence that littering was committed from a moving vehicle other than a public conveyance constitutes prima facie evidence that it was committed by the operator of that vehicle.".

Page 3, after line 39, begin a new paragraph and insert:

"SECTION 8. [EFFECTIVE JULY 1, 2006] **IC 35-45-3-2, as amended by this act, applies only to offenses committed after June 30, 2006.**".

Renumber all SECTIONS consecutively.

(Reference is to ESB 253 as printed February 14, 2006.)

GOODIN

Motion prevailed.

HOUSE MOTION
(Amendment 253–2)

Mr. Speaker: I move that Engrossed Senate Bill 253 be amended to read as follows:

Page 3, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 4. IC 14-28-1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 22. (a) As used in subsection (b)(1) with respect to a stream, "total length" means the length of the stream, expressed in miles, from the confluence of the stream with the receiving stream to the upstream or headward extremity of the stream, as indicated by the solid or dashed, blue or purple line depicting the stream on the most current edition of the seven and one-half (7 ½) minute topographic quadrangle map published by the United States Geological Survey, measured along the meanders of the stream as depicted on the map.

(b) This section does not apply to the following:

(1) A reconstruction or maintenance project (as defined in IC 36-9-27) on a stream or an open regulated drain if the total length of the stream or open drain is not more than ten (10) miles.

(2) A construction or reconstruction project on a state or county highway bridge in a rural area that crosses a stream having an upstream drainage area of not more than fifty (50) square miles and the relocation of utility lines associated with the construction or reconstruction project if confined to an area not more than one hundred (100) feet from the limits of the highway construction right-of-way.

(3) The performance of an activity described in subsection (c)(1) or (c)(2) by a surface coal mining operation that is operated under a permit issued under IC 14-34.

(4) Any other activity that is determined by the commission, according to rules adopted under IC 4-22-2, to pose not more than a minimal threat to floodway areas.

(5) An activity in a boundary river floodway to which section 26.5 of this chapter applies.

(c) A person who desires to:

(1) erect, make, use, or maintain a structure, an obstruction, a deposit, or an excavation; or

(2) suffer or permit a structure, an obstruction, a deposit, or an excavation to be erected, made, used, or maintained;

in or on a floodway must file with the director a verified written application for a permit accompanied by a nonrefundable fee of two hundred dollars ($200).

(d) The application for a permit must set forth the material facts together with plans and specifications for the structure, obstruction, deposit, or excavation.

(e) An applicant must receive a permit from the director for the work before beginning construction. The director shall issue a permit only if:

(1) the director considers:

(A) the overall effect on the floodway that has resulted or could result from all significant actions that any person:

(i) has taken;

(ii) is taking; or

(iii) can reasonably be expected to take;

that had an effect or will potentially have an effect described in subdivision (2)(A) through (2)(C); and

(B) that significant effects can result from individually minor but collectively significant actions that occur over time; and

(2) in the opinion of the director, **after taking into account the considerations set forth in subdivision (1),** the applicant has clearly proven that the structure, obstruction, deposit, or excavation will not do any of the following:

~~(1)~~ **(A)** Adversely affect the efficiency of or unduly restrict the capacity of the floodway.

~~(2)~~ **(B)** Constitute an unreasonable hazard to the safety of life or property.

~~(3)~~ **(C)** Result in unreasonably detrimental effects upon fish, wildlife, or botanical resources.

(f) ~~In deciding whether to issue a permit under this section, the director shall consider the cumulative effects of the structure, obstruction, deposit, or excavation.~~ The director may incorporate in and make a part of an order of authorization conditions and restrictions that the director considers necessary for the purposes of this chapter.

(g) A permit issued under this section:

(1) is void if construction is not commenced within two (2) years after the issuance of the permit; and

(2) to:

(A) the Indiana department of transportation or a county highway department if there is any federal funding for the project; or

(B) an electric utility for the construction of a power generating facility;

is valid for five (5) years from the date of issuance and remains valid indefinitely if construction is commenced within five (5) years after the permit is issued.

(h) The director shall send a copy of each permit issued under this section to each river basin commission organized under:

(1) IC 14-29-7 or IC 13-2-27 (before its repeal); or

(2) IC 14-30-1 or IC 36-7-6 (before its repeal);

that is affected.

(i) The permit holder shall post and maintain a permit issued under this section at the authorized site.

(j) For the purposes of this chapter, the lowest floor of a building, including a residence or abode, that is to be constructed or reconstructed in the one hundred (100) year floodplain of an area protected by a levee that is:

(1) inspected; and

(2) found to be in good or excellent condition;

by the United States Army Corps of Engineers shall not be lower than the one hundred (100) year frequency flood elevation plus one (1) foot.

SECTION 5. IC 14-28-1-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 27. (a) Except as provided in subsection (b), this section does not apply to the following:

(1) A person using chemicals in a normal manner in the production of agricultural products.

(2) A person acting in accordance with an appropriate permit issued by the director.

(3) A person acting in accordance with a permit issued by the department of environmental management under water pollution control laws (as defined in IC 13-11-2-261) or environmental management laws (as defined in IC 13-11-2-71).

(b) This section applies to the permitting requirements set forth in the following:

(1) Section 22 of this chapter.

(2) IC 14-26-2.

(c) A person may not put, throw, dump, or leave a contaminant, garbage, or solid waste:

(1) in, upon, or within fifteen (15) feet of a lake; or

(2) in or upon a floodway.

(d) A person may not place coal combustion wastes or byproducts in a floodway as fill or for the purposes of bank stabilization.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 253 as printed February 14, 2006.)

ORENTLICHER

Representative Whetstone rose to a point of order, citing Rule 118, stating that the motion was attempting to incorporate into Engrossed Senate Bill 253 a bill pending before the House. The Speaker ruled the point was well taken and the motion was out of order.

There being no further amendments, the bill was ordered engrossed.

Engrossed Senate Bill 285

Representative Ruppel called down Engrossed Senate Bill 285 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 285–1)

Mr. Speaker: I move that Engrossed Senate Bill 285 be amended to read as follows:

Page 10, line 25, delete "each" and insert "**at least one (1)**".

Page 10, line 29, delete "each" and insert "**at least one (1)**".

Page 10, line 32, delete "each" and insert "**at least one (1)**".

Page 10, line 34, delete "each" and insert "**at least one (1)**".

Page 10, line 36, delete "each" and insert "**at least one (1)**".

Page 10, line 39, delete "each" and insert "**at least one (1)**".

Page 11, line 5, delete "thirteen (13)" and insert "**fifteen (15)**".

(Reference is to ESB as printed February 14, 2006.)

RUPPEL

Motion prevailed.

HOUSE MOTION
(Amendment 285–2)

Mr. Speaker: I move that Engrossed Senate Bill 285 be amended to read as follows:

Page 2, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 3. IC 10-14-3-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 3.5. As used in this chapter, "county emergency operations center" means a facility used by a county emergency management organization or an interjurisdictional disaster agency to perform emergency direction and control functions before, during, and after an emergency.**".

Page 12, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 8. IC 10-14-3-35 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 35. (a) The legislative body of a county may establish:**

(1) one (1) primary county emergency operations center; and

(2) one (1) secondary county emergency operations center.

(b) The executive of a county that establishes a county emergency operations center shall determine the design and location of the county emergency operations center.

(c) Money from the following sources may be used for the lease, purchase, construction, or maintenance of a county emergency operations center, including the lease, purchase, installation, or maintenance of equipment necessary to operate the county emergency operations center:

(1) Emergency telephone system fees under IC 36-8-16-14.

(2) Distributions from the wireless emergency telephone system fund established under IC 36-8-16.5-21.".

Page 18, after line 11, begin a new paragraph and insert:

"SECTION 12. IC 36-8-16-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 14. (a) The emergency telephone system fees shall be used only to pay for:

(1) the lease, purchase, or maintenance of enhanced emergency telephone equipment, including necessary computer hardware, software, and data base provisioning;

(2) the rates associated with the service suppliers' enhanced emergency telephone system network services;

(3) the personnel expenses of the emergency telephone system; ~~and~~

(4) the lease, purchase, construction, or maintenance of voice and data communications equipment, communications infrastructure, or other information technology necessary to provide emergency response services under authority of the unit imposing the fee; **and**

(5) the lease, purchase, construction, or maintenance of a county emergency operations center (as defined in IC 10-14-3-3.5), including the lease, purchase, installation, or maintenance of equipment necessary to operate the county emergency operations center.

The legislative body of the unit may appropriate money in the fund only for such an expenditure.

(b) This subsection applies to a county that:

(1) imposes a fee under section 5 of this chapter; and

(2) contains a municipality that operates a PSAP (as defined in IC 36-8-16.5-13).

Not later than January 31 of each year, the county fiscal body shall submit to each municipality described in subdivision (2) a report of all expenditures described in subsection (a) paid during the immediately preceding calendar year.

SECTION 13. IC 36-8-16.5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 21. (a) The wireless emergency telephone system fund is established for the ~~purpose~~ **purposes** of:

(1) creating and maintaining an enhanced wireless 911 system; **and**

(2) establishing and maintaining a county emergency operations center (as defined in IC 10-14-3-3.5).

(b) The expenses of administering the fund must be paid from money in the fund.

SECTION 14. IC 36-8-16.5-39, AS AMENDED BY P.L.146-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 39. (a) Except as provided by section 26 of this chapter and subsections (b) and (c), the fund must be managed in the following manner:

(1) Three cents ($0.03) of the wireless emergency 911 fee collected from each subscriber must be deposited in an escrow account to be used to reimburse:

(A) CMRS providers, PSAPs, and the board for costs associated with implementation of phase two (2) of the FCC order; and

(B) the board for costs associated with other wireless enhanced 911 services mandated by the FCC and specified in the FCC order but not incurred by CMRS providers or PSAPs.

A CMRS provider or a PSAP may recover costs under this chapter if the costs are incurred before July 1, 2005, and invoiced to the board not later than December 31, 2005. The board may invest money in the account in the manner prescribed by section 23 of this chapter and may use the proceeds of the investments to reimburse CMRS providers and PSAPs under this subdivision.

(2) At least twenty-five cents ($0.25) of the wireless emergency 911 fee collected from each subscriber must be deposited in an escrow account and used to reimburse CMRS providers for the actual costs incurred by the CMRS providers before July 1, 2005, in complying with the wireless 911 requirements established by the FCC order and rules that are adopted by the FCC under the FCC order, including costs and expenses incurred in designing, upgrading, purchasing, leasing, programming, installing, testing, or maintaining all necessary data, hardware, and software required to provide service as well as the costs of operating the service. The board may invest money in the account in the manner prescribed by section 23 of this chapter and may use the proceeds of the investments to reimburse CMRS providers under this subdivision. The CMRS provider may only request funds for true cost recovery. The board may increase the amount held in escrow under this subdivision not more than one (1) time a calendar year. If the board adjusts the wireless emergency 911 fee under section 26(a) of this chapter within a calendar year, an adjustment to the amount held in escrow under this subdivision for the calendar year must be made at that time.

(3) Two percent (2%) of the wireless emergency 911 fee collected from each subscriber may be used by the board to recover the board's expenses in administering this chapter. However, the board may increase this percentage at the time the board may adjust the monthly fee assessed against each subscriber to allow for full recovery of administration expenses.

(4) The remainder of the wireless emergency 911 fee collected from each subscriber must be distributed in the following manner:

(A) The board shall distribute on a monthly basis to each county containing one (1) or more eligible PSAPs, as identified by the county in the notice required under section 40 of this chapter, a part of the remainder based upon the county's percentage of the state's population (as reported in the most recent official United States census). A county must use a distribution received under this clause to make distributions to PSAPs that:

(i) are identified by the county under section 40 of this chapter as eligible for distributions; and

(ii) accept wireless enhanced 911 service;

for actual costs incurred by the PSAPs in complying with the wireless enhanced 911 requirements established by the FCC order and rules.

(B) The amount of the fee remaining, if any, after the distributions required under clause (A) must be distributed in equal shares between the escrow accounts established under subdivisions (1) and (2).

(b) Notwithstanding the requirements described in subsection (a), the board may transfer money between and among the accounts in subsection (a) in accordance with the following procedures:

(1) For purposes of acting under this subsection, the board must have a quorum consisting of at least one (1) member appointed under section 18(c)(2) of this chapter and at least one (1) member appointed under section 18(c)(3) of this chapter.

(2) A transfer under this subsection must be approved by the affirmative vote of:

(A) at least fifty percent (50%) of the members present at a duly called meeting of the board who are appointed under section 18(c)(2) of this chapter; and

(B) at least fifty percent (50%) of the members present at a duly called meeting of the board who are appointed under section 18(c)(3) of this chapter.

(3) The board may make transfers only one (1) time during a calendar year.

(4) The board may not make a transfer that:

(A) impairs cost recovery by CMRS providers or PSAPs; or

(B) impairs the ability of the board to fulfill its management and administrative obligations described in this chapter.

(c) If all CMRS providers have been reimbursed for their costs under this chapter, and the fee has been reduced under section 26(c) of this chapter, the board shall manage the fund in the following manner:

(1) One cent ($0.01) of the wireless emergency 911 fee collected from each subscriber may be used by the board to recover the board's expenses in administering this chapter. However, the board may increase this amount at the time the board may adjust the monthly fee assessed against each subscriber to allow for full recovery of administration expenses.

(2) Thirty-eight and three tenths cents ($0.383) of the wireless emergency 911 fee collected from each subscriber must be distributed to each county containing at least one (1) PSAP, as identified in the county notice required by section 40 of this chapter. The board shall make these distributions in the following manner:

(A) The board shall distribute on a monthly basis to each eligible county thirty-four and four tenths cents ($0.344) of the wireless emergency 911 fee based upon the county's percentage of the state's population.

(B) The board shall distribute on a monthly basis to each eligible county three and nine tenths cents ($0.039) of the wireless emergency 911 fee equally among the eligible counties. A county must use a distribution received under this clause to reimburse PSAPs that:

(i) are identified by the county under section 40 of this chapter as eligible for distributions; and

(ii) accept wireless enhanced 911 service;

for actual costs incurred by the PSAPs in complying with the wireless enhanced 911 requirements established by the FCC order and rules.

~~(C) The board shall deposit the remainder of the wireless emergency 911 fee collected from each subscriber into an escrow account to be used for costs associated with other wireless enhanced 911 services mandated by the FCC and specified in the FCC order but not incurred by PSAPs. The board may invest money in the account in the manner prescribed by section 23 of this chapter and may use the proceeds of the investments for costs associated with other wireless enhanced 911 services mandated by the FCC but not specified in the FCC order or to make distributions to PSAPs under this section.~~

(3) If the fee has been reduced under section 26(c) of this chapter, **and if the board has made the distributions under subdivisions (1) and (2), the board may use money remaining in the accounts for a purpose set forth in section 41.5 of this chapter.**

(4) If the fee has been reduced under section 26(c) of this chapter, and if money remains in the accounts after a distribution under subdivision (3), the board shall deposit the remainder of the wireless emergency 911 fee collected from each subscriber into an escrow account to be used for costs associated with other wireless enhanced 911 services

mandated by the FCC and specified in the FCC order but not incurred by PSAPs. The board may invest money in the account in the manner prescribed by section 23 of this chapter and may use the proceeds of the investments for costs associated with other wireless enhanced 911 services mandated by the FCC but not specified in the FCC order or to make distributions to PSAPs under this section. The board shall determine how money remaining in the accounts or money for uses described in subsection (a) is to be allocated into the accounts described in this subsection or used for distributions under ~~this subsection.~~ **subdivisions (1) and (2).**

This subsection does not affect the transfer provisions set forth in subsection (b).

SECTION 15. IC 36-8-16.5-41.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 41.5. (a) A county shall use its distribution made under section 39 of this chapter for the lease, purchase, construction, or maintenance of a county emergency operations center (as defined in IC 10-14-3-3.5), including the lease, purchase, installation, or maintenance of equipment necessary to operate the county emergency operations center.**

(b) If:

(1) the board receives a written complaint alleging that a county has used money received under section 39 of this chapter in a manner that is inconsistent with this chapter; and

(2) a majority of the board votes to conduct an audit of the county;

the board may contract with a third party auditor to audit the county to determine whether the county has used money received under this chapter in a manner consistent with this chapter.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 285 as printed February 14, 2006.)

RUPPEL

Motion prevailed. The bill was ordered engrossed.

Engrossed Senate Bill 379

Representative Heim called down Engrossed Senate Bill 379 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Engrossed Senate Bill 84

Representative Foley called down Engrossed Senate Bill 84 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Engrossed Senate Bill 231

Representative Behning called down Engrossed Senate Bill 231 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 231–1)

Mr. Speaker: I move that Engrossed Senate Bill 231 be amended to read as follows:

Page 1, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 2. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] **(a) The commitment given by a public secondary school and published in a student handbook before January 1, 2005, concerning academic honors awards to graduating students who will:**

(1) graduate during 2006 or 2007; and

(2) earn academic honors diplomas;

may be honored in accordance with the terms of the commitment.

(b) This SECTION expires January 1, 2009.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 231 as printed February 14, 2006.)

THOMPSON

Motion prevailed. The bill was ordered engrossed.

OTHER BUSINESS ON THE SPEAKER'S TABLE

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed House Concurrent Resolutions 37, 39, and 40 and the same are herewith returned to the House.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolution 18 and the same is herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolution 34 and the same is herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

RESOLUTIONS ON SECOND READING

House Concurrent Resolution 35

The Speaker handed down on its passage House Concurrent Resolution 35, authored by Representatives Budak, Pelath, and Ayres:

A CONCURRENT RESOLUTION recognizing the need for protection of our environmental and economic resources.

Whereas, The Great Lakes are a tremendous value to Indiana as an environmental and economic resource, both as the world's largest body of fresh water and as a crucial international shipping channel;

Whereas, Aquatic invasive species have caused significant damage to native environments and industrial operations in the Great Lakes and around the world;

Whereas, Indiana ranks 14th in the nation for waterborne shipping with nearly 70 million tons of maritime cargo per year, and the state's Lake Michigan ports provide Indiana farmers, steel mills, and manufacturers with access to foreign markets through the Great Lakes/St. Lawrence Seaway;

Whereas, Current federal laws governing the introduction of aquatic invasive species into United States waters via ballast water of ocean-going ships and other sources are inadequate;

Whereas, Because of the detrimental effects of imposing regional restrictions on an international shipping channel, there is a need for federal regulation; and

Whereas, There is currently no nationally accepted standard for ballast water quality nor any approved ballast treatment technologies available to ship operators: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

SECTION 1. That the Indiana General Assembly has a great concern for the protection of its environmental and economic resources.

SECTION 2. That the Indiana General Assembly urges the United States Congress to acknowledge the national urgency of this problem and move quickly to enact federal legislation to establish a strong ballast water regulatory program sufficient to prevent future introduction of aquatic invasive species into all United States waters.

SECTION 3. That the Indiana General Assembly declares its support for the efforts of the United States Coast Guard and International Maritime Organization to put in place an international ballast water treatment and regulatory program.

SECTION 4. That the Indiana General Assembly declares its support for the "Great Ships Initiative," a research and development project funded jointly by the Indiana Port Commission and other Great Lakes ports, the U.S. Department of Transportation, the National Fish and Wildlife Foundation, and other federal agencies with the goal of accelerating the development and availability of ballast water treatment technology.

SECTION 5. That the Principal Clerk of the House of Representatives shall transmit copies of this resolution to the President of the United States, the Indiana Congressional delegation, federal agencies that regulate maritime transportation, and the Great Lakes Commission.

[*Journal Clerk's Note: House Concurrent Resolution 35, as introduced, did not include a SECTION concerning transmittal of the resolution to the intended recipients. By unanimous consent, the resolution was corrected by the Committee on Rules and Legislative Procedures by adding SECTION 5 above.*]

The resolution was read a second time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator Landske.

RESOLUTIONS ON FIRST READING

Senate Concurrent Resolution 18

The Speaker handed down Senate Concurrent Resolution 18, sponsored by Representatives Bottorff, Saunders, and Goodin:

A CONCURRENT RESOLUTION urging the Indiana Congressional Delegation to support legislation calling for federal approval to extend the Lewis and Clark National Historic Trail.

Whereas, The Lewis and Clark Expedition is about President Thomas Jefferson's dream, the planning and preparation required for an early 19th-century military expedition, and then finally about the journey itself;

Whereas, The Lewis and Clark Expedition met at Clarksville, Indiana and stayed with George Rogers Clark who was the Brother of William Clark;

Whereas, Clarksville, Indiana was one of the bases of formation and the site of their beginning of the Expedition;

Whereas, Members of the Indiana Congressional Delegation have supported and been the primary sponsors of legislation before Congress which would have amended the National Trails System Act by extending the Lewis and Clark National Historic Trail to include additional sites associated with the preparation or the return phase of the expedition;

Whereas, Members of the Indiana Congressional Delegation will introduce legislation calling for a feasibility study on extending the Lewis and Clark National Historic Trail to the East;

Whereas, The Lewis and Clark Trail Heritage Foundation supports recognition of a continuous trail across the country on the National Park Service's official trail map and the right to post the official trail signs—Two Captains Pointing the Way—which are posted throughout the West;

Whereas, The extension of the Lewis and Clark National Historic Trail from coast to coast would complete the story and expose a broader base of Americans to the educational and cultural aspects of the expedition;

Whereas, The Lewis and Clark Trail Heritage Foundation believes that the status quo does not adequately recognize Monticello, the home of Thomas Jefferson where he dreamed his vision for America; Washington, D.C., where he shared his dream with Meriwether Lewis; or a variety of other significant places throughout the Eastern Legacy states; and

Whereas, The Lewis and Clark Trail Heritage Foundation partners with the National Park Service, the Bureau of Land Management and the Forest Service in caring for the Lewis and Clark National Historic Trail and also supports scholarships, educational efforts, and research on the expedition: Therefore,

Be it resolved by the Senate
of the General Assembly of the State of Indiana,
the House of Representatives concurring:

SECTION 1. The General Assembly hereby supports and urges the Indiana Congressional Delegation to support legislation calling for federal approval to extend the Lewis and Clark National Historic Trail.

SECTION 2. The Secretary of the Senate shall forward a copy of this resolution to each member of the Indiana Congressional Delegation.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

Senate Concurrent Resolution 34

The Speaker handed down Senate Concurrent Resolution 34, sponsored by Representatives Tyler, Porter, Torr, and Richardson:

A CONCURRENT RESOLUTION honoring Colonel Charles H. Greenwood for his dutiful four years of service as Wing Commander of the Indiana Wing of the U.S. Air Force's Auxiliary Civil Air Patrol upon completion of his tenure in the position.

Whereas, Colonel Greenwood has received undergraduate and graduate degrees in education from Ball State and a doctoral degree in education from Indiana University;

Whereas, He served in various capacities both as a professor and as an administrator at Ball State University for over four decades, including serving in positions such as Assistant Dean of Undergraduate Programs and Assistant Dean of the School of Continuing Education;

Whereas, He has served a long and dedicated career in the military, beginning his service in 1952 as a member of the U.S. Air Force ROTC program at Indiana University and advancing to his current position of Wing Commander of the Indiana Wing of the USAF Civil Air Patrol;

Whereas, He is a dedicated public servant and has continuously and selflessly served the community in various positions such as Educational Director of the Academy for Community Leadership, Board of Directors for Ball Memorial Hospital, Member of the Muncie Redevelopment Commission, Indiana District Governor for Kiwanis International, and Board Member for the Muncie Housing Authority, among many others; and

Whereas, Colonel Greenwood will retire from his position as Wing Commander this Spring and will be honored for his dedicate service at Grissom Air Force Base on March 25, 2006: Therefore,

Be it resolved by the Senate
of the General Assembly of the State of Indiana,
the House of Representatives concurring:

SECTION 1. The General Assembly hereby honors Colonel Charles H. Greenwood for his dutiful four years of service as Wing Commander of the Indiana Wing of the U.S. Air Force's Auxiliary Civil Air Patrol upon completion of his tenure in the position.

SECTION 2. The Secretary of the Senate shall transmit a copy of this resolution to Colonel Charles H. Greenwood, Ball State University, Major General Antonio J. Pineda, LTC Michael A. Moran, and LTC Ralph Bruns.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Courts and Criminal Code, to which was referred Engrossed Senate Bill 5, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 1, delete "funeral or".

Page 2, delete lines 3 through 4.

Page 2, line 5, delete "(C)" and insert "**(B)**".

Page 2, delete lines 8 through 9, begin a new line double block indented and insert:

"**(C) a building in which:**
(i) a funeral or memorial service; or
(ii) the viewing of a deceased person;
is being conducted; and".

(Reference is to SB 5 as printed January 11, 2006.)
and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 1.

ULMER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Courts and Criminal Code, to which was referred Engrossed Senate Bill 6, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 6, line 16, after "IC 5-2-12-4)" insert "**and shall require a parolee who is a sexually violent predator under IC 35-38-1-7.5**".

(Reference is to SB 6 as reprinted February 2, 2006.)
and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

ULMER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Safety and Homeland Security, to which was referred Engrossed Senate Bill 55, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 36-8-8.5-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 1.5. This chapter expires for members of the 1925 fund, the 1937 fund, or the 1953 fund on the date the authority of the board of trustees of the public employees' retirement fund to distribute from the pension relief fund established under IC 5-10.3-11-1 to units of local government (described in IC 5-10.3-11-3) amounts determined under IC 5-10.3-11-4.7 expires.**

SECTION 2. IC 36-8-8.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. **Except as provided in section 1.5 of this chapter,** this chapter applies to a person who is a member of any of the following funds:

(1) 1925 Police Pension Fund (IC 36-8-6) (referred to in this chapter as the 1925 fund).

(2) 1937 Firefighters' Pension Fund (IC 36-8-7) (referred to in this chapter as the 1937 fund).

(3) 1953 Police Pension Fund (Indianapolis) (IC 36-8-7.5) (referred to in this chapter as the 1953 fund).

(4) 1977 Police Officers' and Firefighters' Pension and Disability Fund (IC 36-8-8) (referred to in this chapter as the 1977 fund).".

Page 1, line 2, after "Sec. 14." insert "**(a) Subject to subsection (b),**".

Page 1, line 6, after "date;" insert "**or**".

Page 1, line 8, delete ";" and insert ".".

Page 1, line 8, strike "or".

Page 1, line 9, strike "(4) December 31,".

Page 1, line 9, delete "2011.", begin a new paragraph and insert:

"**(b) A member of the 1925 fund, the 1937 fund, or the 1953 fund who enters the DROP established by this chapter must exit the DROP on the date the authority of the board of trustees of the public employees' retirement fund to distribute from the pension relief fund established under IC 5-10.3-11-1 to units of local government (described in IC 5-10.3-11-3) amounts determined under IC 5-10.3-11-4.7 expires.**".

Renumber all SECTIONS consecutively.

(Reference is to SB 55 as printed January 30, 2006.)
and when so amended that said bill do pass.

Committee Vote: yeas 8, nays 0.

RUPPEL, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 57, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 3, after "Sec. 5." insert "**(a)**".

Page 2, between lines 13 and 14, begin a new paragraph and insert:

"**(b) A state agency's disclosure of the Social Security number of an individual in compliance with subsection (a) does not violate IC 5-14-3-4(a)(12).**

SECTION 2. IC 5-10.2-4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. (a) Benefits provided under this section are subject to IC 5-10.2-2-1.5.

(b) A member who retires is entitled to receive monthly retirement benefits, which are guaranteed for five (5) years or until the member's death, whichever is later. A member may select in writing any of the following nonconflicting options for the payment of the member's retirement benefits instead of the five (5) year guaranteed retirement benefit payments. The amount of the optional payments shall be determined under rules of the board and shall be the actuarial equivalent of the benefit payable under sections 4, 5, and 6 of this chapter.

(1) Joint and Survivor Option.

(A) The member receives a decreased retirement benefit during the member's lifetime, and there is a benefit payable after the member's death to a designated beneficiary during the lifetime of the beneficiary, which benefit equals, at the option of the member, either the full decreased retirement benefit or two-thirds (2/3) or one-half (½) of that benefit.

(B) If the member dies before retirement, the designated beneficiary may receive only the amount credited to the member in the annuity savings account unless the designated beneficiary is entitled to survivor benefits under IC 5-10.2-3.

(C) If the designated beneficiary dies before the member retires, the selection is automatically canceled and the member may make a new beneficiary election and may elect a different form of benefit under this subsection.

(2) Benefit with No Guarantee. The member receives an increased lifetime retirement benefit without the five (5) year guarantee specified in this subsection.

(3) Integration with Social Security. If the member retires before the age of eligibility for Social Security benefits, in order to provide a level benefit during the member's retirement the member receives an increased retirement benefit until the age of Social Security eligibility and decreased retirement benefits after that age.

(4) Cash Refund Annuity. The member receives a lifetime annuity purchasable by the amount credited to the member in the annuity savings account, and the member's designated beneficiary receives a refund payment equal to:

(A) the total amount used in computing the annuity at the retirement date; minus

(B) the total annuity payments paid and due to the member before the member's death.

(c) If:

(1) the designated beneficiary dies while the member is receiving benefits; ~~or~~

(2) the member is receiving benefits, the member marries ~~either for the first time or following the death of the member's spouse,~~ after the member's first benefit payment is made, and the member's designated beneficiary is not the member's current spouse or the member has not designated a beneficiary; **or**

(3) the member is receiving benefits, and after July 1, 2006, there is a dissolution of marriage between the member and the designated beneficiary;

the member may elect to change the member's designated beneficiary or form of benefit under subsection (b) and to receive an actuarially adjusted and recalculated benefit for the remainder of the member's life or for the remainder of the member's life and the life of the newly designated beneficiary. The member may not elect to change to a five (5) year guaranteed form of benefit. If the member's new election is the joint and survivor option, the member shall indicate whether the designated beneficiary's benefit shall equal, at the option of the

member, either the member's full recalculated retirement benefit or two-thirds (2/3) or one-half (½) of this benefit. The cost of recalculating the benefit shall be borne by the member and shall be included in the actuarial adjustment.

(d) Except as provided in subsection (c), a member who files for regular or disability retirement may not change:

(1) the member's retirement option under subsection (b);

(2) the selection of a lump sum payment under section 2 of this chapter; or

(3) the beneficiary designated on the member's application for benefits if the member selects the joint and survivor option under subsection (b)(1);

after the first day of the month in which benefit payments are scheduled to begin. For purposes of this subsection, it is immaterial whether a benefit check has been sent, received, or negotiated.

(e) A member may direct that the member's retirement benefits be paid to a revocable trust that permits the member unrestricted access to the amounts held in the revocable trust. The member's direction is not an assignment or transfer of benefits under IC 5-10.3-8-10 or IC 21-6.1-5-17.".

Renumber all SECTIONS consecutively.

(Reference is to SB 57 as printed January 27, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 22, nays 0.

ESPICH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Courts and Criminal Code, to which was referred Engrossed Senate Bill 83, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 5, reset in roman "taser (as defined in".

Page 1, reset in roman line 6.

Page 1, line 7, reset in roman "IC 35-47-8-1),"

Page 3, delete lines 11 through 12.

Page 3, line 13, delete "(3)" and insert "**(2)**".

Page 3, line 13, delete "two (2)" and insert "**one (1)**".

Page 3, line 14, delete "convictions" and insert "**conviction**".

Page 3, line 15, delete "(4)" and insert "**(3)**".

Page 3, line 15, delete "three (3)" and insert "**two (2)**".

Page 3, delete lines 17 through 19.

(Reference is to SB 83 as reprinted January 31, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 2.

ULMER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy and Veterans Affairs, to which was referred Engrossed Senate Bill 86, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 7, nays 0.

STUTZMAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy and Veterans Affairs, to which was referred Engrossed Senate Bill 100, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert:

A BILL FOR AN ACT to amend the Indiana Code concerning gaming and to make an appropriation.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 4-21.5-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. (a) ~~Except as provided in subsection (c),~~ This article does not apply to any of the following agencies:

(1) The governor.

(2) The state board of accounts.

(3) The state educational institutions (as defined by IC 20-12-0.5-1).

(4) The department of workforce development.

(5) The unemployment insurance review board of the department of workforce development.

(6) The worker's compensation board of Indiana.

(7) The military officers or boards.

(8) The Indiana utility regulatory commission.

(9) The department of state revenue (excluding an agency action related to the licensure of private employment agencies).

(10) The department of local government finance.

(b) This article does not apply to action related to railroad rate and tariff regulation by the Indiana department of transportation.

~~(c) This article applies to a protest or hearing related to the regulation of charity gaming under IC 4-32 by the department of state revenue.~~

SECTION 2. IC 4-22-2-37.1, AS AMENDED BY P.L.235-2005, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following rules:

(1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or IC 9-21-4-7(a) and designated by the commissioner as an emergency rule.

(2) An action taken by the director of the department of natural resources under IC 14-22-2-6(d) or IC 14-22-6-13.

(3) An emergency temporary standard adopted by the occupational safety standards commission under IC 22-8-1.1-16.1.

(4) An emergency rule adopted by the solid waste management board under IC 13-22-2-3 and classifying a waste as hazardous.

(5) A rule, other than a rule described in subdivision (6), adopted by the department of financial institutions under IC 24-4.5-6-107 and declared necessary to meet an emergency.

(6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.

(7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.

(8) An emergency rule adopted by the state lottery commission under IC 4-30-3-9.

(9) A rule adopted under IC 16-19-3-5 that the executive board of the state department of health declares is necessary to meet an emergency.

(10) An emergency rule adopted by the Indiana ~~transportation~~ finance authority under IC 8-21-12.

(11) An emergency rule adopted by the insurance commissioner under IC 27-1-23-7.

(12) An emergency rule adopted by the Indiana horse racing commission under IC 4-31-3-9.

(13) An emergency rule adopted by the air pollution control board, the solid waste management board, or the water pollution control board under IC 13-15-4-10(4) or to comply with a deadline required by federal law, provided:

(A) the variance procedures are included in the rules; and

(B) permits or licenses granted during the period the emergency rule is in effect are reviewed after the emergency rule expires.

(14) An emergency rule adopted by the Indiana election commission under IC 3-6-4.1-14.

(15) An emergency rule adopted by the department of natural resources under IC 14-10-2-5.

(16) An emergency rule adopted by the Indiana gaming commission under **IC 4-32.2-3-3(b),** IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.

(17) An emergency rule adopted by the alcohol and tobacco commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or IC 7.1-3-20-24.4.

(18) An emergency rule adopted by the department of financial

institutions under IC 28-15-11.

(19) An emergency rule adopted by the office of the secretary of family and social services under IC 12-8-1-12.

(20) An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.

(21) An emergency rule adopted by the office of Medicaid policy and planning under IC 12-15-41-15.

(22) An emergency rule adopted by the Indiana state board of animal health under IC 15-2.1-18-21.

(23) An emergency rule adopted by the board of directors of the Indiana education savings authority under IC 21-9-4-7.

(24) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-34.

(25) An emergency rule adopted by the department of local government finance under IC 6-1.1-4-33.

(26) An emergency rule adopted by the boiler and pressure vessel rules board under IC 22-13-2-8(c).

(27) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-37(l) or an emergency rule adopted by the department of local government finance under IC 6-1.1-4-36(j) or IC 6-1.1-22.5-20.

(28) An emergency rule adopted by the board of the Indiana economic development corporation under IC 5-28-5-8.

(29) A rule adopted by the department of financial institutions under IC 34-55-10-2.5.

(b) The following do not apply to rules described in subsection (a):

(1) Sections 24 through 36 of this chapter.

(2) IC 13-14-9.

(c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(d) After the document control number has been assigned, the agency shall submit the rule to the secretary of state for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The secretary of state shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the secretary of state shall:

(1) accept the rule for filing; and

(2) file stamp and indicate the date and time that the rule is accepted on every duplicate original copy submitted.

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

(1) The effective date of the statute delegating authority to the agency to adopt the rule.

(2) The date and time that the rule is accepted for filing under subsection (e).

(3) The effective date stated by the adopting agency in the rule.

(4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, IC 22-8-1.1-16.1, and IC 22-13-2-8(c), and except as provided in subsections (j) and (k), a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(13), (a)(24), (a)(25), or (a)(27), the rule may be extended by adopting another rule under this section, but only for one (1) extension period. The extension period for a rule adopted under subsection (a)(28) may not exceed the period for which the original rule was in effect. A rule adopted under subsection (a)(13) may be extended for two (2) extension periods. Subject to subsection (j), a rule adopted under subsection (a)(24), (a)(25), or (a)(27) may be extended for an unlimited number of extension periods. Except for a rule adopted under subsection (a)(13), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

(1) sections 24 through 36 of this chapter; or

(2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(6), (a)(8), (a)(12), or (a)(29) expires on the earlier of the following dates:

(1) The expiration date stated by the adopting agency in the rule.

(2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

(j) A rule described in subsection (a)(24) or (a)(25) expires not later than January 1, 2006.

(k) A rule described in subsection (a)(28) expires on the expiration date stated by the board of the Indiana economic development corporation in the rule.

SECTION 3. IC 4-32.2 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

ARTICLE 32.2. CHARITY GAMING

Chapter 1. General Provisions

Sec. 1. (a) This article applies only to a qualified organization.

(b) This article applies only to:

(1) bingo events, charity game nights, door prize events, raffle events, festivals, and other gaming events approved by the commission; and

(2) the sale of pull tabs, punchboards, and tip boards:

(A) at bingo events, charity game nights, door prize events, raffle events, and festivals conducted by qualified organizations; or

(B) at any time on the premises owned or leased by a qualified organization and regularly used for the activities of the qualified organization.

This article does not apply to any other sale of pull tabs, punchboards, and tip boards.

Sec. 2. The purpose of this article is to permit a licensed qualified organization:

(1) to conduct allowable events; and

(2) to sell pull tabs, punchboards, and tip boards;

as a fundraising activity for lawful purposes of the organization.

Sec. 3. A bingo event, charity game night, door prize drawing, or raffle is not allowed in Indiana unless it is conducted by a qualified organization in accordance with this article.

Sec. 4. Local taxes, regardless of type, may not be imposed upon the operations of the commission under this article or upon the sale of bingo cards, bingo boards, bingo sheets, bingo pads, pull tabs, punchboards, or tip boards under this article.

Sec. 5. (a) Local governmental authority concerning the following is preempted by the state under this article and IC 4-30:

(1) All matters relating to the operation of bingo events, charity game nights, raffles, and door prize drawings.

(2) All matters relating to the possession, transportation, advertising, sale, manufacture, printing, storing, or distribution of pull tabs, punchboards, or tip boards.

(b) A county, municipality, or other political subdivision of the state may not enact an ordinance relating to the commission's operations authorized by this article.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Allowable event" means:

(1) a bingo event;

(2) a charity game night;

(3) a raffle;

(4) a door prize drawing;

(5) a festival;

(6) a sale of pull tabs, punchboards, or tip boards; or

(7) any other gambling event approved by the commission under this article;

conducted by a qualified organization in accordance with this article and rules adopted by the commission under this article.

Sec. 3. "Bingo" means a game conducted in the following manner:

(1) Each participant receives at least one (1) card, board,

pad, or piece of paper marked off into twenty-five (25) squares that are arranged in five (5) vertical rows of five (5) squares each, with each row designated by a single letter, and each box containing a number, from one (1) to seventy-five (75), except the center box, which is always marked with the word "free".

(2) As the caller of the game announces a letter and number combination, each player covers the square corresponding to the announced number, letter, or combination of numbers and letters.

(3) The winner of each game is the player who is the first to properly cover a predetermined and announced pattern of squares upon the card used by the player.

Sec. 4. "Bingo event" means an event at which bingo is conducted by an organization that holds a bingo license or a special bingo license issued under this article.

Sec. 5. "Bona fide business organization" means a local organization that is not for pecuniary profit and is exempt from federal income taxation under Section 501(c)(6) of the Internal Revenue Code.

Sec. 6. "Bona fide civic organization" means a branch, lodge, or chapter of a national or state organization that is not for pecuniary profit or a local organization that is not for pecuniary profit and not affiliated with a state or national organization whose written constitution, charter, articles of incorporation, or bylaws provide the following:

(1) That the organization is organized primarily for civic, fraternal, or charitable purposes.

(2) That upon dissolution of the organization all remaining assets of the organization revert to nonprofit civic or charitable purposes.

Sec. 7. "Bona fide educational organization" means an organization that is not for pecuniary profit and that meets the following criteria:

(1) The organization's primary purpose is educational in nature.

(2) The organization's constitution, articles, charter, or bylaws contain a clause that provides that upon dissolution all remaining assets shall be used for nonprofit educational purposes.

(3) The organization is designed to develop the capabilities of individuals by instruction in a public or private:

(A) elementary or secondary school; or

(B) college or university.

Sec. 8. (a) "Bona fide political organization" means a party committee, association, fund, or other organization, whether incorporated or not, organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function (as defined in Section 527 of the Internal Revenue Code).

(b) Except as provided in subsection (c), the term does not include a candidate's committee (as defined in IC 3-5-2-7).

(c) For purposes of IC 4-32.2-4-8 and IC 4-32.2-4-18, the term includes a candidate's committee (as defined in IC 3-5-2-7).

Sec. 9. "Bona fide religious organization" means an organization, a church, a body of communicants, or a group:

(1) organized primarily for religious purposes and not for pecuniary profit that provides to the commission written confirmation that the entity is operating under Section 501 of the Internal Revenue Code or under the Section 501 nonprofit status of the entity's parent organization; and

(2) whose constitution, charter, articles, or bylaws contain a clause that provides that upon dissolution all remaining assets shall be used for nonprofit religious purposes or shall revert to the parent organization for nonprofit religious purposes.

Sec. 10. "Bona fide senior citizens organization" means an organization that is not for pecuniary profit and that:

(1) consists of at least fifteen (15) members who are at least sixty (60) years of age;

(2) is organized by the organization's constitution, charter, articles, or bylaws for the mutual support and advancement of the causes of elderly or retired persons; and

(3) provides in the organization's constitution, charter, articles, or bylaws that upon dissolution all remaining assets of the organization shall be used for nonprofit purposes that will support or advance the causes of elderly or retired persons.

Sec. 11. "Bona fide veterans organization" means a local organization or a branch, lodge, or chapter of a state or national organization chartered by the Congress of the United States that is not for pecuniary profit and that:

(1) consists of individuals who are or were members of the armed forces of the United States;

(2) is organized for the mutual support and advancement of the organization's membership and patriotic causes; and

(3) provides in the organization's constitution, charter, articles, or bylaws that upon dissolution all remaining assets of the organization shall be used for nonprofit purposes that will support or advance patriotic causes.

Sec. 12. (a) "Charity game night" means an event at which wagers are placed upon the following permitted games of chance through the use of imitation money:

(1) A card game approved by the commission.

(2) A dice game approved by the commission.

(3) A roulette wheel approved by the commission.

(4) A spindle approved by the commission.

(b) The term does not include an event at which wagers are placed upon any of the following:

(1) Bookmaking.

(2) A slot machine.

(3) A one-ball machine or a variant of a one-ball machine.

(4) A pinball machine that awards anything other than an immediate and unrecorded right of replay.

(5) A policy or numbers game.

(6) A banking or percentage game played with cards or counters, including the acceptance of a fixed share of the stakes in a game.

Sec. 13. "Commission" means the Indiana gaming commission established by IC 4-33-3-1.

Sec. 14. "Department" means the department of state revenue.

Sec. 15. "Door prize" means a prize awarded to a person based solely upon the person's attendance at an event or the purchase of a ticket to attend an event.

Sec. 16. "Door prize drawing" means a drawing to award a door prize.

Sec. 17. "Door prize event" means an event at which at least one (1) door prize drawing is conducted by an organization that holds a door prize drawing license issued under this article.

Sec. 18. "Executive director" means the executive director of the Indiana gaming commission appointed under IC 4-33-3-18.

Sec. 19. "Licensed supply" refers to any of the following:

(1) Bingo cards.

(2) Bingo boards.

(3) Bingo sheets.

(4) Bingo pads.

(5) Pull tabs.

(6) Punchboards.

(7) Tip boards.

(8) Any other supplies, devices, or equipment designed to be used in allowable events designated by rule of the commission.

Sec. 20. "Marketing sheet" means additional information published about a wagering game that describes winnings.

Sec. 20.5. "Member" means any of the following:

(1) An individual entitled to membership in a qualified organization under the bylaws, articles of incorporation, charter, or rules of the qualified organization.

(2) A member of the qualified organization's auxiliary.

(3) In the case of a qualified organization that is a nonpublic school (as defined in IC 20-18-2-12), either of the following:

(A) A parent of a child enrolled in the school.

(B) A member of the school's parent organization.

(C) A member of the school's alumni association.

Sec. 21. "Operator" means an individual who is responsible for conducting an allowable event for a qualified organization under this article in accordance with Indiana law.

Sec. 22. "Pull tab" means either of the following:

(1) A game conducted in the following manner:

(A) A single folded or banded ticket or a two-ply card with perforated break-open tabs is bought by a player from a qualified organization.

(B) The face of each card is initially covered or otherwise hidden from view, concealing a number, letter, symbol, or set of letters or symbols.

(C) In each set of tickets or cards, a designated number of tickets or cards have been randomly designated in advance as winners.

(D) Winners, or potential winners if the game includes the use of a seal, are determined by revealing the faces of the tickets or cards. The player may be required to sign the player's name on numbered lines provided if a seal is used.

(E) The player with a winning pull tab ticket or numbered line receives the prize stated on the flare from the qualified organization. The prize must be fully and clearly described on the flare.

(2) Any game played in a similar fashion as a game described in subdivision (1) that is approved by the commission.

Sec. 23. "Punchboard" means a card or board that contains a grid or section that hides the random opportunity to win a prize based on the results of punching a single section to reveal a symbol or prize amount.

Sec. 24. (a) "Qualified organization" means:

(1) a bona fide religious, educational, senior citizens, veterans, or civic organization operating in Indiana that:

(A) operates without profit to the organization's members;

(B) is exempt from taxation under Section 501 of the Internal Revenue Code; and

(C) has been continuously in existence in Indiana for at least five (5) years or is affiliated with a parent organization that has been in existence in Indiana for at least five (5) years; or

(2) a bona fide political organization operating in Indiana that produces exempt function income (as defined in Section 527 of the Internal Revenue Code).

(b) For purposes of IC 4-32.2-4-3, a "qualified organization" includes the following:

(1) A hospital licensed under IC 16-21.

(2) A health facility licensed under IC 16-28.

(3) A psychiatric facility licensed under IC 12-25.

(4) An organization defined in subsection (a).

(c) For purposes of IC 4-32.2-4-10, a "qualified organization" includes a bona fide business organization.

Sec. 25. "Qualified recipient" means:

(1) a hospital or medical center operated by the federal government;

(2) a hospital licensed under IC 16-21;

(3) a hospital subject to IC 16-22;

(4) a hospital subject to IC 16-23;

(5) a health facility licensed under IC 16-28;

(6) a psychiatric facility licensed under IC 12-25;

(7) an organization described in section 24(a) of this chapter;

(8) an activity or a program of a local law enforcement agency intended to reduce substance abuse;

(9) a charitable activity of a local law enforcement agency; or

(10) a veterans' home.

Sec. 26. "Raffle" means the selling of tickets or chances to win a prize awarded through a random drawing.

Sec. 27. "Raffle event" means an event at which at least one (1) raffle is conducted by an organization that holds a raffle license issued under this article.

Sec. 28. "Tip board" means a board, a placard, or other device that is marked off in a grid or columns, with each section containing a hidden number or numbers or other symbols that determine a winner.

Sec. 29. "Veterans' home" means any of the following:

(1) The Indiana Veterans' Home.

(2) The VFW National Home for Children.

(3) The Indiana Soldiers' and Sailors' Children's Home.

Sec. 30. "Worker" means an individual who helps or participates in any manner in preparing for, conducting, assisting in conducting, cleaning up after, or taking any other action in connection with an allowable event under this article.

Chapter 3. Powers and Duties of the Commission

Sec. 1. (a) The commission shall supervise and administer allowable events conducted under this article.

(b) The commission may by resolution assign to the executive director any duty imposed upon the commission by this article.

(c) The executive director shall perform the duties assigned to the executive director by the commission. The executive director may exercise any power conferred upon the commission by this article that is consistent with the duties assigned to the executive director under subsection (b).

Sec. 2. For purposes of conducting an investigation or a proceeding under this article, the commission may do the following:

(1) Administer oaths.

(2) Take depositions.

(3) Issue subpoenas.

(4) Compel the attendance of witnesses and the production of books, papers, documents, and other evidence.

Sec. 3. (a) The commission shall adopt rules under IC 4-22-2 for the following purposes:

(1) Administering this article.

(2) Establishing the conditions under which charity gaming in Indiana may be conducted.

(3) Providing for the prevention of practices detrimental to the public interest and providing for the best interests of charity gaming.

(4) Establishing rules concerning inspection of qualified organizations and the review of the licenses necessary to conduct charity gaming.

(5) Imposing penalties for noncriminal violations of this article.

(b) The commission may adopt emergency rules under IC 4-22-2-37.1 if the commission determines that:

(1) the need for a rule is so immediate and substantial that rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 are inadequate to address the need; and

(2) an emergency rule is likely to address the need.

Sec. 4. (a) The commission has the sole authority to license entities under this article to sell, distribute, or manufacture the following:

(1) Bingo cards.

(2) Bingo boards.

(3) Bingo sheets.

(4) Bingo pads.

(5) Pull tabs.

(6) Punchboards.

(7) Tip boards.

(8) Any other supplies, devices, or equipment designed to be used in allowable events designated by rule of the commission.

(b) Qualified organizations must obtain the materials described in subsection (a) only from an entity licensed by the commission.

(c) The commission may not limit the number of qualified entities licensed under subsection (a).

Sec. 5. The commission shall charge appropriate fees to the following:

(1) An applicant for a license to conduct an allowable event.

(2) An applicant seeking a license to distribute bingo supplies, pull tabs, punchboards, or tip boards.

(3) An applicant seeking a license to manufacture bingo supplies, pull tabs, punchboards, or tip boards.

Sec. 6. The commission may own, sell, and lease real and personal property necessary to carry out the commission's responsibilities under this article.

Sec. 7. The commission may employ investigators and other staff necessary to carry out this article. However, the restrictions and limitations on the operators and workers set forth in

IC 4-32.2-5-10 apply to staff employed under this article. The employees hired by the commission under this article may be the same as the commission's employees hired under IC 4-33.

Chapter 4. Charity Gaming Licenses

Sec. 1. A qualified organization may conduct the following activities in accordance with this article:

(1) A bingo event.

(2) A charity game night.

(3) A raffle event.

(4) A door prize event.

(5) A festival.

(6) The sale of pull tabs, punchboards, and tip boards.

(7) Any other gambling event approved by the commission.

Sec. 2. Except as provided in section 3 of this chapter, a qualified organization must obtain a license under this chapter to conduct an allowable event.

Sec. 3. (a) A qualified organization is not required to obtain a license from the commission if the value of all prizes awarded at the bingo event, charity game night, raffle event, or door prize event, including prizes from pull tabs, punchboards, and tip boards, does not exceed one thousand dollars ($1,000) for a single event and not more than three thousand dollars ($3,000) during a calendar year.

(b) A qualified organization described in subsection (a) that plans to hold a bingo event more than one (1) time a year shall send an annual written notice to the commission informing the commission of the following:

(1) The estimated frequency of the planned bingo events.

(2) The location or locations where the qualified organization plans to hold the bingo events.

(3) The estimated amount of revenue expected to be generated by each bingo event.

(c) The notice required under subsection (b) must be filed before the earlier of the following:

(1) March 1 of each year.

(2) One (1) week before the qualified organization holds the first bingo event of the year.

(d) A qualified organization described in subsection (a) shall maintain accurate records of all financial transactions of an event conducted under this section. The commission may inspect records kept in compliance with this section.

Sec. 4. (a) Each organization applying for a bingo license, a special bingo license, a charity game night license, a raffle license, a door prize drawing license, a festival license, or a license to conduct any other gambling event approved by the commission must submit to the commission a written application on a form prescribed by the commission.

(b) Except as provided in subsection (c), the application must include the information that the commission requires, including the following:

(1) The name and address of the organization.

(2) The names and addresses of the officers of the organization.

(3) The type of event the organization proposes to conduct.

(4) The location where the organization will conduct the allowable event.

(5) The dates and times for the proposed allowable event.

(6) Sufficient facts relating to the organization or the organization's incorporation or founding to enable the commission to determine whether the organization is a qualified organization.

(7) The name of each proposed operator and sufficient facts relating to the proposed operator to enable the commission to determine whether the proposed operator is qualified to serve as an operator.

(8) A sworn statement signed by the presiding officer and secretary of the organization attesting to the eligibility of the organization for a license, including the nonprofit character of the organization.

(9) Any other information considered necessary by the commission.

(c) This subsection applies only to a qualified organization that conducts only one (1) allowable event in a calendar year. The commission may not require the inclusion in the qualified organization's application of the Social Security numbers of the workers who will participate in the qualified organization's proposed allowable event. A qualified organization that files an application described in this subsection must attach to the application a sworn statement signed by the presiding officer and secretary of the organization attesting that:

(1) the workers who will participate in the qualified organization's proposed allowable event are eligible to participate under this article; and

(2) the organization has not conducted any other allowable events in the calendar year.

Sec. 5. (a) The commission may issue a bingo license to a qualified organization if:

(1) the provisions of this section are satisfied; and

(2) the qualified organization:

(A) submits an application; and

(B) pays a fee set by the commission under IC 4-32.2-6.

(b) The commission may hold a public hearing to obtain input on the proposed issuance of an annual bingo license to an applicant that has never held an annual bingo license under this article.

(c) The first time that a qualified organization applies for an annual bingo license, the commission shall publish notice that the application has been filed. The notification must be in accordance with IC 5-14-1.5-5 and must contain the following:

(1) The name of the qualified organization and the fact that it has applied for an annual bingo license.

(2) The location where the bingo events will be held.

(3) The names of the operator and officers of the qualified organization.

(4) A statement that any person can protest the proposed issuance of the annual bingo license.

(5) A statement that the commission shall hold a public hearing if ten (10) written and signed protest letters are received by the commission.

(6) The address of the commission where correspondence concerning the application may be sent.

(d) If the commission receives at least ten (10) protest letters, the commission shall hold a public hearing in accordance with IC 5-14-1.5. The commission shall issue a license or deny the application not later than sixty (60) days after the date of the public hearing.

(e) A license issued under this section:

(1) may authorize the qualified organization to conduct bingo events on more than one (1) occasion during a period of one (1) year;

(2) must state the locations of the permitted bingo events;

(3) must state the expiration date of the license; and

(4) may be reissued annually upon the submission of an application for reissuance on the form established by the commission and upon the licensee's payment of a fee set by the commission.

(f) Notwithstanding subsection (e)(4), the commission shall hold a public hearing for the reissuance of an annual bingo license if:

(1) an applicant has been cited for a violation of law or a rule of the commission; or

(2) the commission finds, based upon investigation of at least three (3) written and signed complaints alleging a violation of law or a rule of the commission in connection with the bingo license, that one (1) or more of the alleged violations:

(A) has occurred;

(B) is a type of violation that would allow the commission to cite the applicant for a violation of a provision of this article or of a rule of the commission; and

(C) has not been corrected after notice has been given by the commission.

(g) If the commission is required to hold a public hearing on an application for a reissuance of an annual bingo license, it shall comply with the same procedures required under this section for notice and for conducting the hearing.

(h) The commission may deny a license if, after a public hearing, the commission determines that the applicant:

(1) has violated a local ordinance; or

(2) has engaged in fraud, deceit, or misrepresentation.

Sec. 6. The commission may issue a special bingo license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must:

(1) authorize the qualified organization to conduct a bingo event at only one (1) time and location; and

(2) state the date, beginning and ending times, and location of the authorized bingo event.

Sec. 7. The commission may issue a charity game night license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must:

(1) authorize the qualified organization to conduct a charity game night at only one (1) time and location; and

(2) state the date, beginning and ending times, and location of the charity game night.

Sec. 8. (a) The commission may issue a raffle license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must:

(1) authorize the qualified organization to conduct a raffle event at only one (1) time and location; and

(2) state the date, beginning and ending times, and location of the raffle event.

(b) A qualified organization, by rule of the commission, may be excused from the requirement of obtaining a license to conduct a raffle event if the total market value of the prize or prizes to be awarded at the raffle event does not exceed one thousand dollars ($1,000).

Sec. 9. The commissioner may issue an annual raffle license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must:

(1) authorize the qualified organization to conduct not more than five (5) raffle events in the calendar year in which the license is issued; and

(2) state the date, beginning and ending times, and location of each raffle event conducted by the qualified organization in the calendar year.

Sec. 10. (a) The commission may issue a door prize license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must:

(1) authorize the qualified organization to conduct a door prize event at only one (1) time and location; and

(2) state the date, beginning and ending times, and location of the door prize event.

(b) A qualified organization, by rule of the commission, may be excused from the requirement of obtaining a license to conduct a door prize event if the total market value of the prize or prizes to be awarded at the door prize event does not exceed one thousand dollars ($1,000).

Sec. 11. (a) The commission may issue an annual door prize license to a qualified organization if:

(1) the provisions of this section are satisfied; and

(2) the qualified organization:

(A) submits an application; and

(B) pays a fee set by the commission under IC 4-32.2-6.

(b) The application for an annual door prize license must contain the following:

(1) The name of the qualified organization.

(2) The location where the door prize events will be held.

(3) The names of the operator and officers of the qualified organization.

(c) A license issued under this section:

(1) may authorize the qualified organization to conduct door prize events on more than one (1) occasion during a period of one (1) year;

(2) must state the locations of the permitted door prize events;

(3) must state the expiration date of the license; and

(4) may be reissued annually upon the submission of an application for reissuance on the form established by the commission and upon the licensee's payment of a fee set by the commission.

(d) The commission may reject an application for an annual door prize license if, after a public hearing, the commission determines that the applicant:

(1) has violated a local ordinance; or

(2) has engaged in fraud, deceit, or misrepresentation.

Sec. 12. (a) The commission may issue a festival license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must authorize the qualified organization to conduct bingo events, charity game nights, one (1) raffle event, and door prize events and to sell pull tabs, punchboards, and tip boards. The license must state the location and the dates, not exceeding four (4) consecutive days, on which these activities may be conducted.

(b) A qualified organization may not conduct more than one (1) festival each year at which bingo events, charity game nights, raffle events, and door prize events are conducted and pull tabs, punchboards, and tip boards are sold.

(c) The raffle event authorized by a festival license is not subject to the prize limits set forth in this chapter. Bingo events, charity game nights, and door prize events conducted at a festival are subject to the prize limits set forth in this chapter.

Sec. 13. (a) A bingo license or special bingo license may also authorize a qualified organization to conduct door prize drawings and sell pull tabs, punchboards, and tip boards at the bingo event.

(b) A charity game night license may also authorize a qualified organization to conduct door prize drawings and sell pull tabs, punchboards, and tip boards at the charity game night.

(c) A raffle license may also authorize a qualified organization to conduct door prize drawings and sell pull tabs, punchboards, and tip boards at the raffle event.

(d) A door prize license may also authorize a qualified organization to sell pull tabs, punchboards, and tip boards at the door prize event.

Sec. 14. A qualified organization may hold more than one (1) license at a time. However, a qualified organization with multiple licenses may not hold a bingo event and raffle at the same event or at the same time and place unless, by express determination, the commission allows a qualified organization to do so. The commission may allow a qualified organization to conduct only one (1) event each year at which both bingo and a raffle may be held.

Sec. 15. The commission may not limit the number of qualified organizations licensed under this article.

Sec. 16. (a) This section applies to a gambling event that is described in neither:

(1) section 1(1) through 1(6) of this chapter; nor

(2) IC 4-32.2-2-12(b).

(b) The commission may issue a license to conduct a gambling event approved by the commission to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must:

(1) authorize the qualified organization to conduct the gambling event at only one (1) time and location; and

(2) state the date, beginning and ending times, and location of the gambling event.

(c) The commission may impose any condition upon a qualified organization that is issued a license to conduct a gambling event under this section.

Sec. 17. A qualified organization described in section 4(c) of this chapter may not require an individual who wishes to participate in the qualified organization's allowable event as a worker to submit the individual's Social Security number to the qualified organization.

Sec. 18. (a) With respect to any action authorized by this section, a candidate's committee (as defined in IC 3-5-2-7) is considered a bona fide political organization.

(b) A candidate's committee may apply for a license under section 8 of this chapter to conduct a raffle event. A candidate's committee may not conduct any other kind of allowable event.

(c) The following are subject to this article:

(1) A candidate's committee that applies for a license under section 8 of this chapter.

(2) A raffle event conducted by a candidate's committee.

Chapter 5. Conduct of Allowable Events

Sec. 1. IC 35-45-5 does not apply to a person who conducts, participates in, or receives a prize in an allowable event.

Sec. 2. A qualified organization may not contract or otherwise enter into an agreement with an individual, a corporation, a partnership, a limited liability company, or other association to conduct an allowable event for the benefit of the organization. A qualified organization shall use only operators and workers meeting the requirements of this chapter to manage and conduct an allowable event.

Sec. 3. (a) All net proceeds from an allowable event and related activities may be used only for the lawful purposes of the qualified organization.

(b) To determine the net proceeds from an allowable event, a qualified organization shall subtract the following from the gross receipts received from the allowable event:

(1) An amount equal to the total value of the prizes, including door prizes, awarded at the allowable event.

(2) The sum of the purchase prices paid for licensed supplies dispensed at the allowable event.

(3) An amount equal to the qualified organization's license fees attributable to the allowable event.

(4) An amount equal to the advertising expenses incurred by the qualified organization to promote the allowable event.

Sec. 4. (a) A qualified organization that receives ninety percent (90%) or more of the organization's total gross receipts from any events licensed under this article is required to donate sixty percent (60%) of its gross charitable gaming receipts less prize payout to a qualified recipient that is not an affiliate, a parent, or a subsidiary organization of the qualified organization.

(b) For purposes of this section, a veterans' home is not considered to be an affiliate, a parent, or a subsidiary organization of a qualified organization that is a bona fide veterans organization.

Sec. 5. A qualified organization shall maintain accurate records of all financial aspects of an allowable event under this article. A qualified organization shall make accurate reports of all financial aspects of an allowable event to the commission within the time established by the commission. The commission may prescribe forms for this purpose. The commission shall, by rule, require a qualified organization to deposit funds received from an allowable event in a separate and segregated account set up for that purpose. All expenses of the qualified organization with respect to an allowable event shall be paid from the separate account.

Sec. 6. (a) A qualified organization may not conduct more than three (3) allowable events during a calendar week and not more than one (1) allowable event each day.

(b) Except as provided in IC 4-32.2-4-12, allowable events may not be held on more than two (2) consecutive days.

(c) A bona fide civic organization may conduct one (1) additional allowable event during each six (6) months of a calendar year.

Sec. 7. A qualified organization may not conduct more than four (4) charity game nights during a calendar year.

Sec. 8. (a) Except as provided in subsection (d), if facilities are leased for an allowable event, the rent may not:

(1) be based in whole or in part on the revenue generated from the event; or

(2) exceed two hundred dollars ($200) per day.

(b) A facility may not be rented for more than three (3) days during a calendar week for an allowable event.

(c) If personal property is leased for an allowable event, the rent may not be based in whole or in part on the revenue generated from the event.

(d) If a qualified organization conducts an allowable event in conjunction with or at the same facility where the qualified organization or its affiliate is having a convention or other meeting of its membership, facility rent for the allowable event may exceed two hundred dollars ($200) per day. A qualified organization may conduct only one (1) allowable event under this subsection in a calendar year.

Sec. 9. Not more than one (1) qualified organization may conduct an allowable event on the same day at the same location.

Sec. 10. An operator or a worker may not be a person who has been convicted of or entered a plea of nolo contendere to a felony committed in the preceding ten (10) years, regardless of the adjudication, unless the commission determines that:

(1) the person has been pardoned or the person's civil rights have been restored; or

(2) after the conviction or entry of the plea, the person has engaged in the kind of good citizenship that would reflect well upon the integrity of the qualified organization and the commission.

Sec. 11. An employee of the commission or a relative living in the same household with the employee of the commission may not be an operator or a worker.

Sec. 12. (a) Except as provided in subsection (b), an operator or a worker may not receive remuneration for:

(1) preparing for;

(2) conducting;

(3) assisting in conducting;

(4) cleaning up after; or

(5) taking any other action in connection with;

an allowable event.

(b) A qualified organization that conducts an allowable event may:

(1) provide meals for the operators and workers during the allowable event; and

(2) provide recognition dinners and social events for the operators and workers;

if the value of the meals and social events does not constitute a significant inducement to participate in the conduct of the allowable event.

Sec. 13. An individual may not be an operator for more than one (1) qualified organization during a calendar month. If an individual has previously served as an operator for another qualified organization, the commission may require additional information concerning the proposed operator to satisfy the commission that the individual is a bona fide member of the qualified organization.

Sec. 14. An operator or a worker may not directly or indirectly participate, other than in a capacity as an operator or a worker, in an allowable event that the operator or worker is conducting.

Sec. 15. An operator must be a member in good standing of the qualified organization that is conducting the allowable event for at least one (1) year at the time of the allowable event.

Sec. 16. (a) Except as provided in subsection (b), a worker must be a member in good standing of a qualified organization that is conducting an allowable event for at least thirty (30) days at the time of the allowable event.

(b) A qualified organization may allow an individual who is not a member of the qualified organization to participate in an allowable event as a worker if:

(1) the individual is a member of another qualified organization; and

(2) the individual's participation is approved by the commission.

A qualified organization may apply to the commission on a form prescribed by the commission for approval of the participation of a nonmember under this subsection. A qualified organization may share the proceeds of an allowable event with the qualified organization in which a worker participating in the allowable event under this subsection is a member. The tasks that will be performed by an individual participating in an allowable event under this subsection and the amounts shared with the individual's qualified organization must be described in the application and approved by the commission.

(c) For purposes of:

(1) the licensing requirements of this article; and

(2) section 9 of this chapter;

a qualified organization that receives a share of the proceeds of an allowable event described in subsection (b) is not considered to be conducting an allowable event.

Sec. 17. (a) The prize for one (1) bingo game may not have a

value of more than one thousand dollars ($1,000).

(b) Except as provided in subsection (c), the total prizes permitted at one (1) bingo event may not have a value of more than six thousand dollars ($6,000).

(c) The commission may, by express authorization, allow any qualified organization to conduct two (2) bingo events each year at which the total prizes for the bingo event may not exceed ten thousand dollars ($10,000). Bingo events authorized under this subsection may be conducted at a festival conducted under IC 4-32.2-4-12.

(d) The proceeds of the sale of pull tabs, punchboards, and tip boards are not included in the total prize limit at a bingo event.

(e) The value of all door prizes awarded at a bingo event may not have a value of more than one thousand five hundred dollars ($1,500).

Sec. 18. (a) The total prizes for a raffle event conducted at another allowable event may not have a value of more than five thousand dollars ($5,000). However, the commission may, by express authorization, allow a qualified organization to conduct one (1) raffle event at another allowable event each year at which the total prizes for the raffle event may not exceed twenty-five thousand dollars ($25,000). The sale of pull tabs, punchboards, and tip boards is not included in the total prize limit at a raffle event.

(b) The value of all door prizes awarded at a raffle event may not have a value of more than one thousand five hundred dollars ($1,500).

(c) The prize limits set forth in subsection (a) do not apply to a raffle event that is not conducted at another allowable event.

Sec. 19. The total prizes for a door prize event may not have a value of more than five thousand dollars ($5,000). However, the commission may, by express authorization, allow a qualified organization to conduct one (1) door prize event each year at which the total prizes for the door prize event may not exceed twenty thousand dollars ($20,000). The proceeds of the sale of pull tabs, punchboards, and tip boards are not included in the total prize limit at a door prize event.

Sec. 20. (a) The total prizes awarded for one (1) pull tab, punchboard, or tip board game may not exceed five thousand dollars ($5,000).

(b) A single prize awarded for one (1) winning ticket in a pull tab, punchboard, or tip board game may not exceed five hundred ninety-nine dollars ($599).

(c) The selling price for one (1) ticket for a pull tab, punchboard, or tip board game may not exceed one dollar ($1).

Sec. 21. (a) Except as provided in subsection (b), the following persons may not play or participate in any manner in an allowable event:

(1) A member or an employee of the commission.

(2) A person less than eighteen (18) years of age.

(b) A person less than eighteen (18) years of age may sell tickets or chances for a raffle.

Sec. 22. If an employee or officer of a manufacturer or distributor is a member of a bona fide civic or bona fide religious organization that holds a charity gaming license, the employee's or officer's membership in the organization may not be construed as an affiliation with the organization's charity gaming operations.

Sec. 23. An advertisement for an allowable event in radio broadcast media must announce, within the advertisement, the name of the qualified organization conducting the allowable event and that the qualified organization's license number is on file.

Chapter 6. License Fees

Sec. 1. The commission shall charge a license fee to an applicant under this article.

Sec. 2. The commission shall establish an initial license fee schedule. However, the license fee that is charged to a qualified organization in the first year that the qualified organization applies for a license may not exceed fifty dollars ($50).

Sec. 3. The license fee that is charged to a qualified organization that renews the license must be based on the total gross revenue of the qualified organization from allowable events and related activities in the preceding year, or, if the qualified organization held a license under IC 4-32.2-4-6, IC 4-32.2-4-7, IC 4-32.2-4-8, IC 4-32.2-4-10, or IC 4-32.2-4-12, the fee must be based on the total gross revenue of the qualified organization from the preceding event and related activities, according to the following schedule:

Class	Gross Revenues		Fee
	At Least	But Less Than	
A	$ 0	$ 15,000	$ 50
B	$ 15,000	$ 25,000	$ 100
C	$ 25,000	$ 50,000	$ 300
D	$ 50,000	$ 75,000	$ 400
E	$ 75,000	$ 100,000	$ 700
F	$ 100,000	$ 150,000	$ 1000
G	$ 150,000	$ 200,000	$ 1,500
H	$ 200,000	$ 250,000	$ 1,800
I	$ 250,000	$ 300,000	$ 2,500
J	$ 300,000	$ 400,000	$ 3,250
K	$ 400,000	$ 500,000	$ 5,000
L	$ 500,000	$ 750,000	$ 6,750
M	$ 750,000	$ 1,000,000	$ 9,000
N	$ 1,000,000	$ 1,250,000	$ 11,000
O	$ 1,250,000	$ 1,500,000	$ 13,000
P	$ 1,500,000	$ 1,750,000	$ 15,000
Q	$ 1,750,000	$ 2,000,000	$ 17,000
R	$ 2,000,000	$ 2,250,000	$ 19,000
S	$ 2,250,000	$ 2,500,000	$ 21,000
T	$ 2,500,000	$ 3,000,000	$ 24,000
U	$ 3,000,000		$ 26,000

Sec. 4. The commission shall establish a license fee schedule for the renewal of licenses for manufacturers and distributors.

Sec. 5. The commission shall deposit license fees collected under this chapter in the charity gaming enforcement fund established by IC 4-32.2-7-3.

Chapter 7. Charity Gaming Enforcement Fund

Sec. 1. As used in this chapter, "surplus revenue" means the amount of money in the charity gaming enforcement fund that is not required to meet the costs of administration and the cash flow needs of the commission under this article.

Sec. 2. As used in this chapter, "fund" means the charity gaming enforcement fund established by section 3 of this chapter.

Sec. 3. The charity gaming enforcement fund is established. The commission shall administer the fund.

Sec. 4. The fund consists of the following:

(1) License fees collected under IC 4-32.2-6.

(2) Civil penalties collected under IC 4-32.2-8.

(3) Charity gaming card excise taxes received under IC 4-32.2-10.

Sec. 5. Money in the fund does not revert to the state general fund at the end of a state fiscal year. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Sec. 6. There is appropriated annually to the commission from the fund an amount sufficient to cover the costs incurred by the commission for the purposes specified in this article.

Sec. 7. Before the last business day of January, April, July, and October, the commission shall, upon approval of the budget agency, transfer the surplus revenue to the treasurer of state for deposit in the build Indiana fund.

Chapter 8. Penalties

Sec. 1. (a) The commission may suspend or revoke the license of or levy a civil penalty against a qualified organization or an individual under this article for any of the following:

(1) Violation of a provision of this article or of a rule of the commission.

(2) Failure to accurately account for:

(A) bingo cards;

(B) bingo boards;

(C) bingo sheets;

(D) bingo pads;

(E) pull tabs;

(F) punchboards; or

(G) tip boards.

(3) Failure to accurately account for sales proceeds from an

event or activity licensed or permitted under this article.

(4) Commission of a fraud, deceit, or misrepresentation.

(5) Conduct prejudicial to public confidence in the commission.

(b) If a violation is of a continuing nature, the commission may impose a civil penalty upon a licensee or an individual for each day the violation continues.

Sec. 2. A civil penalty imposed by the commission upon a qualified organization or an individual under section 1 of this chapter may not exceed the following amounts:

(1) One thousand dollars ($1,000) for the first violation.

(2) Two thousand five hundred dollars ($2,500) for the second violation.

(3) Five thousand dollars ($5,000) for each additional violation.

Sec. 3. In addition to imposing a penalty described in section 1 of this chapter, the commission may do all or any of the following:

(1) Lengthen a period of suspension of the license.

(2) Prohibit an operator or an individual who has been found to be in violation of this article from associating with charity gaming conducted by a qualified organization.

(3) Impose an additional civil penalty of not more than one hundred dollars ($100) for each day the civil penalty goes unpaid.

Sec. 4. (a) Except as provided in subsection (b), a person or an organization that recklessly, knowingly, or intentionally violates a provision of this article commits a Class B misdemeanor.

(b) An individual, a corporation, a partnership, a limited liability company, or other association that recklessly, knowingly, or intentionally enters into a contract or other agreement with a qualified organization in violation of IC 4-32.2-5-2 commits a Class D felony.

Sec. 5. The commission shall deposit civil penalties collected under this chapter in the charity gaming enforcement fund established by IC 4-32.2-7-3.

Chapter 9. Security

Sec. 1. (a) The commission is responsible for security matters under this article. The commission may employ investigators and other individuals necessary to carry out this chapter.

(b) An employee of the commission engaged in the enforcement of this article is vested with the necessary police powers to enforce this article. The police powers granted by this subsection are limited to the enforcement of this article.

(c) An employee described in subsection (b) may not:

(1) issue a summons for an infraction or a misdemeanor violation of any law other than this article;

(2) act as an officer for the arrest of offenders for the violation of an Indiana law other than this article; or

(3) exercise any other police power with respect to the enforcement of any state or local law other than this article.

Sec. 2. An employee of the commission may do any of the following:

(1) Investigate an alleged violation of this article.

(2) Arrest an alleged violator of this article or of a rule adopted by the commission.

(3) Enter upon the following premises for the performance of the employee's lawful duties:

(A) A location where a bingo event, charity game night, raffle, or door prize drawing is being conducted.

(B) A location where pull tabs, tip boards, or punchboards are being purchased, sold, manufactured, printed, or stored.

(4) Take necessary equipment from the premises for further investigation.

(5) Obtain full access to all financial records of the entity upon request.

(6) If there is a reason to believe that a violation has occurred, search and inspect the premises where the violation is alleged to have occurred or is occurring. A search under this subdivision may not be conducted unless a warrant has first been obtained by the executive director. A contract entered into by the executive director may not include a provision allowing for warrantless searches. A warrant may be obtained in the county where the search will be conducted or in Marion County.

(7) Seize or take possession of:

(A) papers;

(B) records;

(C) tickets;

(D) currency; or

(E) other items;

related to an alleged violation.

Sec. 3. (a) The commission shall conduct investigations necessary to ensure the security and integrity of the operation of games of chance under this article. The commission may conduct investigations of the following:

(1) Licensed qualified organizations.

(2) Applicants for licenses issued under this article.

(3) Licensed manufacturers and distributors.

(4) Employees of the commission under this article.

(5) Applicants for contracts or employment with the commission under this article.

(b) The commission may require persons subject to an investigation under subsection (a) to provide information, including fingerprints, that is:

(1) required by the commission to carry out the investigation; or

(2) otherwise needed to facilitate access to state and criminal history information.

Sec. 4. (a) The state police department shall, at the request of the executive director, provide the following:

(1) Assistance in obtaining criminal history information relevant to investigations required for honest, secure, exemplary operations under this article.

(2) Any other assistance requested by the executive director and agreed to by the superintendent of the state police department.

(b) Any other state agency, including the alcohol and tobacco commission and the Indiana professional licensing agency, shall upon request provide the executive director with information relevant to an investigation conducted under this article.

Sec. 5. A marketing sheet published in connection with a wagering game must be maintained for the lesser of:

(1) six (6) years after the year in which the marketing sheet was published; or

(2) the end of an audit in which the marketing sheet and similar records are audited.

Sec. 6. (a) This section applies only to products sold in Indiana.

(b) If a licensed manufacturer or distributor destroys, discontinues, or otherwise renders unusable:

(1) bingo supplies;

(2) punchboards; or

(3) tip boards;

the manufacturer or distributor shall provide the commission with a written list of the items destroyed, discontinued, or rendered otherwise unusable.

(c) The list required under subsection (b) must contain the following information concerning the items destroyed, discontinued, or rendered otherwise unusable:

(1) The quantity.

(2) A description.

(3) The serial numbers.

(4) The date the items were destroyed, discontinued, or rendered otherwise unusable.

(d) Notwithstanding subsection (b), this section does not apply to a product considered defective by the manufacturer or distributor.

Sec. 7. Records of a manufacturer or distributor must be produced upon request by the commission within seventy-two (72) hours or by another mutually agreed upon time if production of the requested documents within seventy-two (72) hours is impractical or burdensome.

Sec. 8. A manufacturer or distributor of supplies, devices, or equipment described in IC 4-32.2-3-4(a) to be used in charity gaming in Indiana must file a quarterly report listing the manufacturer's or distributor's sales of the supplies, devices, and equipment.

Sec. 9. Information obtained by the commission during the course of an investigation conducted under this chapter is confidential.

Chapter 10. Gaming Card Excise Tax

Sec. 1. An excise tax is imposed on the distribution of pull tabs, punchboards, and tip boards in the amount of ten percent (10%) of the price paid by the qualified organization that purchases the pull tabs, punchboards, and tip boards.

Sec. 2. A licensed entity distributing pull tabs, punchboards, or tip boards under this article is liable for the tax. The tax is imposed at the time the licensed entity:

(1) brings or causes the pull tabs, punchboards, or tip boards to be brought into Indiana for distribution;

(2) distributes pull tabs, punchboards, or tip boards in Indiana; or

(3) transports pull tabs, punchboards, or tip boards to qualified organizations in Indiana for resale by those qualified organizations.

Sec. 3. The department shall establish procedures by which each licensed entity must account for the following:

(1) The tax collected under this chapter by the licensed entity.

(2) The pull tabs, punchboards, and tip boards sold by the licensed entity.

(3) The funds received for sales of pull tabs, punchboards, and tip boards by the licensed entity.

Sec. 4. A payment by a licensed entity to the department may not be in cash. All payments must be in the form of a check, a draft, an electronic funds transfer, or another financial instrument authorized by the commissioner. The department may require licensed entities to establish separate electronic funds transfer accounts for the purpose of making payments to the department.

Sec. 5. All taxes imposed on a licensed entity under this chapter shall be remitted to the department at the times and as directed by the department. The department is responsible for all administrative functions related to the receipt of funds. The department may require each licensed entity to file with the department reports of the licensed entity's receipts and transactions in the sale of pull tabs, punchboards, and tip boards. The department shall prescribe the form of the reports and the information to be contained in the reports.

Sec. 6. The department may at any time perform an audit of the books and records of a licensed entity to ensure compliance with this chapter.

Sec. 7. IC 4-32.2-8 applies to licensed entities.

Sec. 8. The department shall transfer all taxes collected under this chapter to the commission for deposit in the charity gaming enforcement fund established by IC 4-32.2-7-3.

SECTION 4. IC 4-33-13-5, AS AMENDED BY P.L.246-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) The first thirty-three million dollars ($33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(B) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A).

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the property tax replacement fund. In each state fiscal year, the treasurer of state shall make the transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the property tax replacement fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter as follows:

(1) Thirty-seven and one-half percent (37.5%) shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(2) Thirty-seven and one-half percent (37.5%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars ($20,000,000), the amount described in this subdivision shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(3) Five percent (5%) shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Ten percent (10%) shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(5) Ten percent (10%) shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

(1) exceeds a particular city's or county's base year revenue; and

(2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars ($250,000,000):

(1) Surplus lottery revenues under IC 4-30-17-3.

(2) Surplus revenue from the charity gaming enforcement fund under ~~IC 4-32-10-6.~~ **IC 4-32.2-7-7.**

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. The amount of the supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus

(B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

SECTION 5. IC 4-33-18-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. The department shall research and analyze data and public policy issues relating to all aspects of gaming in Indiana for the enhancement of:

(1) the Indiana lottery under IC 4-30;

(2) pari-mutuel horse racing under IC 4-31;

(3) charity gaming under ~~IC 4-32,~~ **IC 4-32.2;** and

(4) riverboat casino gambling under IC 4-33.

SECTION 6. IC 4-33-18-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. (a) Nothing in this chapter may be construed to limit the powers or responsibilities of:

(1) the Indiana lottery commission under IC 4-30;

(2) the Indiana horse racing commission under IC 4-31;

~~(3) the department of state revenue under IC 4-32,~~ or

~~(4)~~ **(3)** the Indiana gaming commission under **IC 4-32.2 or** IC 4-33.

(b) The department may not exercise any administrative or regulatory powers with respect to:

(1) the Indiana lottery under IC 4-30;

(2) pari-mutuel horse racing under IC 4-31;

(3) charity gaming under ~~IC 4-32,~~ **IC 4-32.2;** or

(4) riverboat casino gambling under IC 4-33.

SECTION 7. IC 5-2-1-2, AS AMENDED BY P.L.52-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. For the purposes of this chapter, and unless the context clearly denotes otherwise, the following definitions apply throughout this chapter:

(1) "Law enforcement officer" means an appointed officer or employee hired by and on the payroll of the state, any of the state's political subdivisions, or a public or private college or university whose board of trustees has established a police department under IC 20-12-3.5-1, who is granted lawful authority to enforce all or some of the penal laws of the state of Indiana and who possesses, with respect to those laws, the power to effect arrests for offenses committed in the officer's or employee's presence. However, the following are expressly excluded from the term "law enforcement officer" for the purposes of this chapter:

(A) A constable.

(B) A special officer whose powers and duties are described in IC 36-8-3-7 or a special deputy whose powers and duties are described in IC 36-8-10-10.6.

(C) A county police reserve officer who receives compensation for lake patrol duties under IC 36-8-3-20(f)(4).

(D) A conservation reserve officer who receives compensation for lake patrol duties under IC 14-9-8-27.

(E) An employee of the gaming commission whose powers and duties are described in IC 4-32.2-9.

(2) "Board" means the law enforcement training board created by this chapter.

(3) "Advisory council" means the law enforcement advisory council created by this chapter.

(4) "Executive training program" means the police chief executive training program developed by the board under section 9 of this chapter.

(5) "Law enforcement training council" means one (1) of the confederations of law enforcement agencies recognized by the board and organized for the sole purpose of sharing training, instructors, and related resources.

(6) "Training regarding the lawful use of force" includes classroom and skills training in the proper application of hand to hand defensive tactics, use of firearms, and other methods of:

(A) overcoming unlawful resistance; or

(B) countering other action that threatens the safety of the public or a law enforcement officer.

(7) "Hiring or appointing authority" means:

(A) the chief executive officer, board, or other entity of a police department or agency with authority to appoint and hire law enforcement officers; or

(B) the governor, mayor, board, or other entity with the authority to appoint a chief executive officer of a police department or agency.

SECTION 8. IC 6-3-4-8.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8.2. (a) Each person in Indiana who is required under the Internal Revenue Code to withhold federal tax from winnings shall deduct and retain adjusted gross income tax at the time and in the amount described in withholding instructions issued by the department.

(b) In addition to amounts withheld under subsection (a), every person engaged in a gambling operation (as defined in IC 4-33-2-10) and making a payment in the course of the gambling operation (as defined in IC 4-33-2-10) of:

(1) winnings (not reduced by the wager) valued at one thousand two hundred dollars ($1,200) or more from slot machine play; or

(2) winnings (reduced by the wager) valued at one thousand five hundred dollars ($1,500) or more from a keno game;

shall deduct and retain adjusted gross income tax at the time and in the amount described in withholding instructions issued by the department. The department's instructions must provide that amounts withheld shall be paid to the department before the close of the business day following the day the winnings are paid, actually or constructively. Slot machine and keno winnings from a gambling operation (as defined in IC 4-33-2-10) that are reportable for federal income tax purposes shall be treated as subject to withholding under this section, even if federal tax withholding is not required.

(c) The adjusted gross income tax due on prize money or prizes:

(1) received from a winning lottery ticket purchased under IC 4-30; and

(2) exceeding one thousand two hundred dollars ($1,200) in value;

shall be deducted and retained at the time and in the amount described in withholding instructions issued by the department, even if federal withholding is not required.

(d) In addition to the amounts withheld under subsection (a), a qualified organization (as defined in IC 4-32.2-2-24(a)) that awards a prize under IC 4-32.2 exceeding one thousand two hundred dollars ($1,200) in value shall deduct and retain adjusted gross income tax at the time and in the amount described in withholding instructions issued by the department. The department's instructions must provide that amounts withheld shall be paid to the department before the close of the business day following the day the winnings are paid, actually or constructively.

SECTION 9. IC 6-8.1-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. (a) The department has the primary responsibility for the administration, collection, and enforcement of the listed taxes. In carrying out that responsibility, the department may exercise all the powers conferred on it under this article in respect to any of those taxes.

(b) In the case of the motor vehicle excise tax, the department has the responsibility to act only in the investigation, assessment, collection, and enforcement of the tax in instances of delinquency or evasion. Primary responsibility for the administration and collection of the tax remains with the agencies named in IC 6-6-5.

(c) In the case of commercial vehicle excise taxes that are payable to the bureau of motor vehicles and are not subject to apportionment under the International Registration Plan, the department has the responsibility to act only in the investigation, assessment, collection, and enforcement of the tax in instances of delinquency or evasion. Primary responsibility for the administration and collection of the tax remains with the bureau of motor vehicles.

~~(d) The department has the primary responsibility for the administration, investigation, and enforcement of IC 4-32.~~

SECTION 10. IC 12-13-14-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4.5. (a) Except as provided in this section, the division may distribute cash assistance benefits to a person who is eligible for assistance under the Title IV-A assistance program though an automated teller machine or a point of sale terminal that is connected to the EBT system.

(b) The division may approve or deny participation in the EBT system by a retailer that is not a food retailer.

(c) The division may not approve participation by a retailer or financial institution in the EBT system for distribution of cash assistance under the Title IV-A assistance program through an automated teller machine or a point of sale terminal located on the premises of any of the following:

(1) A horse racing establishment:

(A) where the pari-mutuel system of wagering is authorized; and

(B) for which a permit is required under IC 4-31-5.

(2) A satellite facility:

(A) where wagering on horse racing is conducted; and

(B) for which a license is required under IC 4-31-5.5.

(3) An allowable event required to be licensed by the ~~department of state revenue~~ **Indiana gaming commission** under ~~IC 4-32-7 or IC 4-32-9.~~ **IC 4-32.2.**

(4) A riverboat or other facility required to be licensed by the Indiana gaming commission under IC 4-33.

(5) A store or other establishment:

(A) where the primary business is the sale of firearms (as defined in IC 35-47-1-5); and

(B) that sells handguns for which a license to sell handguns is required under IC 35-47-2.

(6) A store or other establishment where the primary business is the sale of alcoholic beverages for which a permit is required under IC 7.1-3.

(d) An establishment described in subsection (c)(1) through (c)(6) shall post a sign next to each automated teller machine or point of sale terminal located in the establishment informing a potential user that the automated teller machine or point of sale terminal may not be used to receive cash assistance benefits under the Title IV-A assistance program.

(e) An:

(1) establishment that does not post the sign required under subsection (d); or

(2) individual who attempts to use an automated teller machine or point of sale terminal to access cash assistance benefits under the Title IV-A assistance program in violation of subsection (d);

commits a Class C misdemeanor.

(f) The division shall adopt rules under IC 4-22-2 to carry out this section.

SECTION 11. IC 33-26-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. **(a)** The tax court does not have jurisdiction over a case that is an appeal from a final determination made by the ~~department of state revenue~~ **Indiana gaming commission** under ~~IC 4-32 other than~~ **IC 4-32.2.**

(b) The tax court has jurisdiction over a case that is an appeal from a final determination **made by the department of state revenue** concerning the gaming card excise tax established under ~~IC 4-32-15.~~ **IC 4-32.2-10.**

SECTION 12. IC 33-26-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) A taxpayer who wishes to initiate an original tax appeal must file a petition in the tax

court to set aside the final determination of the department of state revenue or the Indiana board of tax review. If a taxpayer fails to comply with any statutory requirement for the initiation of an original tax appeal, the tax court does not have jurisdiction to hear the appeal.

(b) A taxpayer who wishes to enjoin the collection of a tax pending the original tax appeal must file a petition with the tax court to enjoin the collection of the tax. The petition must set forth a summary of:

(1) the issues that the petitioner will raise in the original tax appeal; and

(2) the equitable considerations for which the tax court should order the collection of the tax to be enjoined.

(c) After a hearing on the petition filed under subsection (b), the tax court may enjoin the collection of the tax pending the original tax appeal, if the tax court finds that:

(1) the issues raised by the original tax appeal are substantial;

(2) the petitioner has a reasonable opportunity to prevail in the original tax appeal; and

(3) the equitable considerations favoring the enjoining of the collection of the tax outweigh the state's interests in collecting the tax pending the original tax appeal.

(d) This section does not apply to a final determination of the ~~department of state revenue~~ **Indiana gaming commission** under ~~IC 4-32 other than~~ **IC 4-32.2.**

(e) This section applies to a final determination **made by the department of state revenue** concerning the gaming card excise tax established under ~~IC 4-32-15.~~ **IC 4-32.2-10.**

SECTION 13. IC 35-45-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. This chapter does not apply to the publication or broadcast of an advertisement, a list of prizes, or other information concerning:

(1) pari-mutuel wagering on horse races or a lottery authorized by the law of any state; or

(2) a game of chance operated in accordance with ~~IC 4-32.~~ **IC 4-32.2.**

SECTION 14. IC 35-45-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. This chapter does not apply to the sale or use of gambling devices authorized under ~~IC 4-32.~~ **IC 4-32.2.**

SECTION 15. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2006]: IC 4-32; IC 6-8.1-3-18.

SECTION 16. [EFFECTIVE JULY 1, 2006] **(a) As used in this SECTION, "allowable event" has the meaning set forth in IC 4-32.2-2-2, as added by this act.**

(b) As used in this SECTION, "charity gaming" refers to games of chance authorized by IC 4-32 (before its repeal by this act) and IC 4-32.2, as added by this act.

(c) As used in this SECTION, "commission" refers to the Indiana gaming commission established by IC 4-33-3-1.

(d) As used in this SECTION, "department" refers to the department of state revenue.

(e) Rules adopted by the department before July 1, 2006, concerning charity gaming are considered, after June 30, 2006, to be rules of the commission.

(f) The commission shall amend references in rules to indicate that the commission, and not the department, is the entity that administers charity gaming.

(g) An allowable event held after June 30, 2006, under the authority of a license issued under IC 4-32 (before its repeal by this act) before July 1, 2006, is considered a lawful event held under IC 4-32.2, as added by this act.

(h) The records of the department concerning charity gaming, other than records relating to the charity game card excise tax imposed under IC 4-32-15 (before its repeal by this act), are transferred to the commission.

(i) Money in the charity gaming enforcement fund established under IC 4-32-10 (before its repeal by this act) on July 1, 2006, is transferred to the charity gaming enforcement fund established by IC 4-32.2-7-3, as added by this act.

(j) This SECTION expires June 30, 2007.

SECTION 17. [EFFECTIVE JULY 1, 2006] **(a) Before September 1, 2006, the Indiana gaming commission shall amend forms and affidavits prescribed by the department of state revenue under IC 4-32 (before its repeal) to comply with IC 4-32.2-4-4 and IC 4-32.2-4-17, both as added by this act.**

(b) This SECTION expires January 1, 2007.

SECTION 18. [EFFECTIVE UPON PASSAGE] **Notwithstanding IC 4-32.2, as added by this act, or any other law, the Indiana gaming commission may adopt emergency rules under IC 4-22-2-37.1 before July 1, 2006, to facilitate the transfer of the duty to administer charity gaming from the department of state revenue to the Indiana gaming commission.**

SECTION 19. An emergency is declared for this act.

(Reference is to SB 100 as printed January 25, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

STUTZMAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Courts and Criminal Code, to which was referred Engrossed Senate Bill 168, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning the attorney general.

Page 2, after line 1, begin a new paragraph and insert:

"SECTION 2. IC 24-5-15-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) As used in this chapter, "credit services organization" means a person that, with respect to the extension of credit by another person, sells, provides, performs, or represents that the person can or will sell, provide, or perform, in return for the payment of money or other valuable consideration, any of the following services:

(1) Improving a buyer's credit record, credit history, or credit rating.

(2) Obtaining an extension of credit for a buyer.

(3) Obtaining a delay or forbearance of a buyer's obligation under a mortgage.

~~(3)~~ **(4)** Providing advice or assistance to a buyer concerning the services described in subdivision (1), ~~or~~ (2), or ~~both.~~ **(3).**

(b) The term "credit services organization" does not include any of the following:

(1) A person authorized to make loans or extensions of credit under state or federal laws that is subject to regulation and supervision under state or federal laws, or a lender approved by the United States Secretary of Housing and Urban Development for participation in a mortgage insurance program under the federal National Housing Act (12 U.S.C. 1701 et seq.).

(2) A bank or savings association or a subsidiary of a bank or savings association that has deposits or accounts that are eligible for insurance by the Federal Deposit Insurance Corporation.

(3) A credit union doing business in Indiana.

(4) A nonprofit organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

(5) A person licensed as a real estate broker under IC 25-34.1 if the person is acting within the course and scope of the person's license.

(6) A person admitted to the practice of law in Indiana if the person is acting within the course and scope of the person's practice as an attorney.

(7) A broker-dealer registered with the Securities and Exchange Commission or the Commodity Futures Trading Commission if the broker-dealer is acting within the course and scope of the broker-dealer's regulation.

(8) A consumer reporting agency (as defined in the Federal Fair Credit Reporting Act (15 U.S.C. 1681 et seq.)).

SECTION 3. IC 24-5-15-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. As used in this chapter, "extension of credit" means the right to:

(1) defer payment of debt ~~or~~ **offered or granted primarily for personal, family, or household purposes;**

(2) incur debt and defer payment of the debt offered or granted primarily for personal, family, or household purposes; **or**

(3) delay or avoid foreclosure on a buyer's residence.

SECTION 4. IC 24-5-15-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. The following are deceptive acts:

(1) To charge or receive money or other valuable consideration before the complete performance of services that a credit services organization has agreed to perform for or on behalf of a consumer, unless the credit services organization has under section 8 of this chapter:

(A) obtained a surety bond issued by a surety company admitted to do business in Indiana; or

(B) established an irrevocable letter of credit.

(2) To charge or receive money or other valuable consideration to refer a buyer to a retail seller that will or may extend credit to the buyer if the extension of credit is made upon substantially the same terms as those available to the general public.

(3) To make or to advise a buyer to make a statement with respect to the buyer's creditworthiness, credit standing, or credit capacity that is:

(A) false or misleading; or

(B) that should be known by the exercise of reasonable care to be false or misleading;

to a consumer reporting agency or to a person that has extended credit to the buyer or to whom the buyer is applying for an extension of credit.

(4) To make or use a false or misleading representation in an offer to sell or a sale of the services of a credit services organization, including:

(A) guaranteeing to "erase bad credit" or using words to that effect unless the representation clearly discloses that this can be done only if a person's credit history is inaccurate or obsolete;

(B) guaranteeing an extension of credit regardless of the buyer's previous credit history unless the representation clearly discloses the eligibility requirements for obtaining the extension of credit; or

(C) requiring a buyer to waive a right protected by a state or federal law.

(5) To take a power of attorney from a buyer for any purpose other than inspecting documents as provided by law.

SECTION 5. IC 24-5-15-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. (a) Before doing business in Indiana, a credit services organization must obtain a surety bond in the amount of ~~ten~~ **twenty-five** thousand dollars ~~($10,000)~~ **($25,000),** issued by a surety company authorized to do business in Indiana in favor of the state for the benefit of a person that is damaged by a violation of this chapter.

(b) The attorney general may waive the bonding requirement under subsection (a) and, instead of the bond, accept an irrevocable letter of credit for an equivalent amount issued in favor of the state for the benefit of a person that is damaged by a violation of this chapter.".

(Reference is to SB 168 as printed January 20, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

ULMER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Courts and Criminal Code, to which was referred Engrossed Senate Bill 246, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

ULMER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Safety and Homeland Security, to which was referred Engrossed Senate Bill 247, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 13, delete lines 26 through 33.

Page 18, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 30. IC 22-11-14.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. The fire prevention and building safety commission shall adopt rules under IC 4-22-2 ~~and IC 22-13-2.5~~ to implement a statewide code concerning displays of indoor pyrotechnics. The rules:

(1) must require that a certificate of insurance be issued that provides general liability coverage of at least five hundred thousand dollars ($500,000) for the injury or death of any number of persons in any one (1) occurrence and five hundred thousand dollars ($500,000) for property damage in any one (1) occurrence by an intended display of indoor pyrotechnics arising from any acts of the operator of the display or the operator's agents, employees, or subcontractors;

(2) must require the person intending to present the display to give, at least twenty four (24) hours before the time of the display, written notice of the intended display to the chief of the responding fire department of the location proposed for the display of the indoor pyrotechnics and to include with the written notice a certification from the person intending to display the indoor pyrotechnics that the display will be made in accordance with:

(A) the rules adopted under this section; and

(B) any ordinance or resolution adopted under section 4 of this chapter;

(3) must include and adopt NFPA 1126, Standard for the Use of Pyrotechnics before a Proximate Audience, 2001 Edition, published by the National Fire Protection Association, 1 Batterymarch Park, Quincy, Massachusetts ~~12269,~~ **02169;**

(4) must be amended to adopt any subsequent edition of NFPA Standard 1126, including addenda, within eighteen (18) months after the effective date of the subsequent edition; and

(5) may provide for amendments to NFPA Standard 1126 as a condition of the adoption under subdivisions (3) and (4).

SECTION 31. IC 22-12-1-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. (a) "Mobile structure" means any part of a fabricated unit that is designed to be:

(1) towed on its own chassis; and

(2) connected to utilities for year-round occupancy or use as a Class 1 structure, a Class 2 structure, or another structure.

(b) The term includes the following:

(1) Two (2) or more components that can be retracted for towing purposes and subsequently expanded for additional capacity.

(2) Two (2) or more units that are separately towable but designed to be joined into one (1) integral unit.

(3) One (1) or more units that include a hoisting and lowering mechanism equipped with a platform that:

(A) moves between two (2) or more landings; and

(B) is used to transport one (1) or more individuals.

SECTION 32. IC 22-12-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) The education board consists of eleven (11) voting members. The governor shall appoint nine (9) individuals as voting members of the education board, each to serve a term of four (4) years. The state fire marshal and the ~~executive~~ **deputy** director of the ~~public safety institute~~ **department's division of preparedness and training** shall also serve as voting members of the education board.

(b) Each appointed member of the education board must be qualified by experience or education in the field of fire protection and related fields.

(c) Each appointed member of the education board must be a resident of Indiana.

(d) The education board must include the following appointed members:

(1) ~~Two (2)~~ **Seven (7)** individuals who are ~~fire chiefs~~ **members** of ~~a~~ fire ~~department.~~ **departments. Appointments under this subdivision must include the following:**

(A) At least one (1) individual who is a full-time firefighter (as defined in IC 36-8-10.5-3).

(B) At least one (1) individual who is a volunteer firefighter (as defined in IC 36-8-12-2).

(C) At least one (1) individual who is a fire department officer.

~~(2) Two (2) individuals who are not fire chiefs but are officers of a fire department.~~

~~(3) Two (2) members of a fire department who are not officers of the fire department but have at least ten (10) years of fire protection service.~~

~~(4) Three (3)~~ **(2) Two (2)** citizens who are not members of a fire department.".

Page 18, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 34. IC 22-13-2-2, AS AMENDED BY P.L.44-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The commission shall adopt rules under IC 4-22-2 ~~and IC 22-13-2.5~~ to adopt a statewide code of fire safety laws and building laws.

(b) Before December 1, 2003, the commission shall adopt the most recent edition, including addenda, of the following national codes by rules under IC 4-22-2 and IC 22-13-2.5 **(before its repeal):**

(1) ANSI A10.4 (Safety Requirements for Personnel Hoists).

(2) ASME A17.1 (Safety Code for Elevators and Escalators, an American National Standard).

(3) ASME A18.1 (Safety Standard for Platform Lifts and Stairway Chairlifts, American National Standard).

(4) ASME QEI-1 (Standard for the Qualification of Elevator Inspectors, an American National Standard).

(5) The American Society of Civil Engineers (ASCE) Automated People Mover Standard 21.

(6) ANSI A90.1 Safety Code for Manlifts.

(c) Before July 1, 2006, the commission shall adopt the most recent edition, including addenda, of ASME A17.3 (Safety Code for Existing Elevators and Escalators, an American National Standard) by rules under IC 4-22-2 and IC 22-13-2.5 **(before its repeal).**

(d) The commission shall adopt the subsequent edition of each national code, including addenda, to be adopted as provided under subsections (b) and (c) within eighteen (18) months after the effective date of the subsequent edition.

(e) The commission may amend the national codes as a condition of the adoption under subsections (b), (c), and (d).

(f) To the extent that the following sections of the International Fire Code, 2000 edition, as adopted by reference in 675 IAC 22-2.3-1, apply to tents or canopies in which cooking does not occur, the commission shall suspend enforcement of the following sections of the International Fire Code, 2000 edition, until the ~~office of the state fire marshal~~ **division of fire and building safety** recommends amendments to the commission under subsection (h) and the commission adopts rules under subsection (i) based on the recommendations:

(1) Section 2406.1 (675 IAC 22-2.3-233).

(2) Section 2406.2.

(3) Section 2406.3.

(g) To the extent that section 2403.2 of the International Fire Code, 2000 edition, as adopted by reference in 675 IAC 22-2.3-1, applies to a tent or canopy in which there is an open flame, the commission shall suspend enforcement of section 2403.2 until the ~~office of the state fire marshal~~ **division of fire and building safety** recommends amendments to section 2403.2 to the commission under subsection (h) and the commission adopts rules under subsection (i) based on the recommendations and amending section 2403.2.

(h) The ~~office of the state fire marshal~~ **division of fire and building safety** shall recommend amendments to the commission to the following sections of the International Fire Code, 2000 edition, as adopted by reference in 675 IAC 22-2.3-1:

(1) Section 2403.2.

(2) Section 2406.1 (675 IAC 22-2.3-233).

(3) Section 2406.2.

(4) Section 2406.3.

(i) After receiving and considering recommendations from the ~~office of the state fire marshal~~ **division of fire and building safety** under subsection (h), and using the procedure set forth in IC 4-22-2-38, the commission shall amend the following sections of the International Fire Code, 2000 edition, as adopted by reference in 675 IAC 22-2.3-1:

(1) Section 2403.2.

(2) Section 2406.1 (675 IAC 22-2.3-233).

(3) Section 2406.2.

(4) Section 2406.3.".

Page 20, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 35. IC 36-8-12-18 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 18. (a) A volunteer fire department may, at its discretion, declare the following records confidential for purposes of IC 5-14-3:**

(1) Personnel files of members of the volunteer fire department.

(2) Files of applicants to the volunteer fire department.

(b) Notwithstanding subsection (a), a volunteer fire department may not declare the following information confidential:

(1) The name, compensation, job title, business address, business telephone number, job description, education and training background, previous work experience, or dates of first and last employment of present or former members of the volunteer fire department.

(2) Information relating to the status of any formal charges against a member.

(3) The factual basis for a disciplinary action in which final action has been taken and that resulted in the member being suspended, demoted, or discharged.

However, all personnel file information shall be made available to an affected member or the member's representative.

(c) This section does not apply to disclosure of personnel information generally on all members or for groups of members without the request being particularized by member name.".

Page 20, line 16, delete "." and insert "; IC 22-13-2.5.".

Renumber all SECTIONS consecutively.

(Reference is to SB 247 as printed January 18, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 8, nays 0.

RUPPEL, Chair

Report adopted.

OTHER BUSINESS ON THE SPEAKER'S TABLE

Referrals to Ways and Means

The Speaker announced, pursuant to House Rule 127, that Engrossed Senate Bills 217 and 353 had been referred to the Committee on Ways and Means.

Reassignments

The Speaker announced the reassignment of Engrossed Senate Bill 362 from the Committee on Commerce, Economic Development and Small Business to the Committee on Ways and Means.

HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Tuesday, February 21, 2006 at 1:30 p.m.

ESPICH

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Budak be added as coauthor of House Bill 1207.

POND

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Yount be added as coauthor of House Concurrent Resolution 23.

BURTON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Pelath and Ayres be added as coauthors of House Concurrent Resolution 35.

BUDAK

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Thomas be added as cosponsor of Engrossed Senate Bill 5.

ULMER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Thomas be added as cosponsor of Engrossed Senate Bill 6.

ULMER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Thomas be added as cosponsor of Engrossed Senate Bill 83.

TORR

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Thomas be added as cosponsor of Engrossed Senate Bill 102.

FOLEY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Welch be added as cosponsor of Engrossed Senate Bill 230.

BEHNING

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Koch and Thomas be added as cosponsors of Engrossed Senate Bill 232.

FOLEY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Welch be added as cosponsor of Engrossed Senate Bill 260.

ESPICH

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Welch be added as cosponsor of Engrossed Senate Bill 285.

RUPPEL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Noe be removed as sponsor, Representative Behning be substituted as sponsor, and that Representative Noe be added as cosponsor of Engrossed Senate Bill 324.

NOE

Motion prevailed.

Pursuant to House Rule 60, committee meetings were announced.

On the motion of Representative Welch, the House adjourned at 3:35 p.m., this sixteenth day of February, 2006, until Tuesday, February 21, 2006, at 1:30 p.m.

BRIAN C. BOSMA
Speaker of the House of Representatives

M. CAROLINE SPOTTS
Principal Clerk of the House of Representatives